

AGENDA ACTION ITEM



Public Comment

SIGN IN SHEET

October 7, 2014

6:00 PM

AGENDA ACTION ITEMS: Council will hear public comment during this portion of the meeting for Agenda Action Items on today's agenda only. Agenda Action Items are defined as Administrator Report Items, Ordinances, Resolutions, Proclamations, Action Items, advertised Old Business item, advertised New Business item and Recommendations from Committee ONLY. Combined the two Public Comment Sessions at this meeting are limited to a total of 40 minutes, 4 minutes per person.

Please be advised that citizens not utilizing their full four [4] minutes may not "donate" their remaining time to another speaker. As stated above, each speaker is restricted to a maximum of four [4] minutes.

Citizens failing to PRINT or list the specific AGENDA ACTION ITEM will not be called upon to address Council during this portion of the meeting.

	FULL NAME	AGENDA ACTION ITEM
✓ 1	John DALEN	ORDINANCE 2014-24
✓ 2	Edna Cummins	" "
✓ 3	JEANNE GELMAN	2014-24
✓ 4	BRUCE BURRILL	" 2014-24
✓ 5	JOHN MORGAN	" " 2014-24
✓ 6	Boro Richards	Public Comment 7 " "
✓ 7	RANDY SIMPSON	2014-24
✓ 8	Russell Price	2014-24
✓ 9	DR. NORA FIELD	" "
✓ 10	JANET GORMAN	" "
11		
✓ 12	Ryan Thomas	2014-24
✓ 13	Pete Hughes	2014-24
✓ 14	JAMES McGeorge	2014-24
✓ 15	Becky Ballenger	2014-24

Everyone speaking before Council will be required to do so in a civil manner. Council will not tolerate personal attacks on individual council members, county staff or any person or group. Racial slurs will not be permitted. Council's number one priority is to conduct business for the citizens of this county. All citizens who wish to address Council and all Boards and Commission appointed by Council should do so in an appropriate manner.

State of South Carolina
State Ethics Commission

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SHERRI A. LYDON, MEMBER AT LARGE,
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500 THURMOND MALL, SUITE 250
COLUMBIA, S.C. 29201

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THOMAS M. GALARDI, MEMBER AT LARGE

October 7, 2014

Mr. Thomas L. Martin
McNair Law Firm, P.A.
104 South Main Street Suite 700
Greenville, SC 29601

Re: Request for Informal Opinion

Dear Mr. Martin:

Thank you for your recent request for an informal opinion. An informal opinion is the opinion of the Commission staff based on the State Ethics Commission's prior published opinions; however, an informal opinion is not binding on the Commission. S.C. Code Ann. §8-13-320 (Supp. 2013). The Commission's jurisdiction is limited to the applicability of the Ethics, Government Accountability, and Campaign Reform Act of 1991. This opinion is based on the facts as you submitted. Any material deviation from the submitted facts or failure to disclose relevant information will void this opinion. An opinion does not supersede any other statutory or regulatory restrictions which may apply to this situation.

Issue

In your letter you state the following:

I recently drafted a proposed Oconee County ordinance, which I will forward to you separately, proposing that the County cover the legal expenses of any county employee sued in relation to their discharge of official duties. The issue arose when a local newspaper quoted an individual, who is being sued by

Oconee County for back taxes, as threatening to bring personal lawsuits against three sitting councilmembers, in their personal capacities. In reviewing the state law on the matter, I realized that while such lawsuits are generally prohibited, or would be converted to suits against the county, the fact remains that the individual employees of the county would still have to bear the legal expense of defending the matters until such time as a court of competent jurisdiction threw the matter out, or converted it. At the request of members of council, I drafted the ordinance, which applies to all county employees sued over discharge of their official duties.

As you will see, the attachment, from an opposed member of council, raises the issue of personal conflict, and recusal. I do not advise members of county council as to their personal ethics issues. The question for which I am requesting an informal opinion, due to time constraints, is whether or not the members of county council would be prohibited from voting on this ordinance, generally, since they would be within the class of covered county employees?

Refining the question even further, the person quoted in the newspaper article specifically threatened to bring lawsuits for "millions of dollars" against certain named members of Oconee County Council (three of the five). Does that change your answer in any regard?

Law

Section 8-13-100 states in part:

(11)(a) **'Economic interest'** means an interest distinct from that of the general public in a purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services in which a public official, public member, or public employee may gain an economic benefit of fifty dollars or more.

(b) This definition does not prohibit a public official, public member, or public employee from participating in, voting on, or influencing or attempting to influence an official decision if the only economic interest or reasonably foreseeable benefit that may accrue to the public official, public member, or public employee is incidental to the public official's, public member's, or public employee's position or which accrues to the public official, public member, or public employee as a member of a profession, occupation, or large class to no greater extent than the economic interest or potential benefit could reasonably be foreseen to accrue to all other members of the profession, occupation, or large class.

Section 8-13-700(B) states in part:

No public official, public member, or public employee may make, participate in making, or in any way attempt to use his office, membership, or employment to influence a governmental decision in which he, a member of his immediate family, an individual with whom he is associated, or a business with which he is associated has an economic interest. A public official, public member, or public employee who, in the discharge of his official responsibilities, is required to take an action or make a decision which affects an economic interest of himself, a member of his immediate family, an individual with whom he is associated, or a business with which he is associated shall:

(1) prepare a written statement describing the matter requiring action or decisions and the nature of his potential conflict of interest with respect to the action or decision;

* * *

(4) if he is a public official, other than a member of the General Assembly, he shall furnish a copy of the statement to the presiding officer of the governing body of any agency, commission, board, or of any county, municipality, or a political subdivision thereof, on which he serves, who shall cause the statement to be printed in the minutes and require that the member be excused from any votes, deliberations, and other actions on the matter on which the potential conflict of interest exists and shall cause the disqualification and the reasons for it to be noted in the minutes;

Discussion

Section 8-13-700(B) prohibits a public official making, participating in making, or in any way using his official position to influence a government decision in which he, a family member, an individual with whom he is associated or a business with which he is associated has an economic interest. The Commission has reviewed many situations in which the public official has not had to recuse himself because he is a member of a large class.

The cases have tended to deal with council members who are also school district employees or spouses of school district employees and the question posed is whether those council members could vote on the school board appropriation. In AO92-201 the Commission stated "(s)ince the four Council

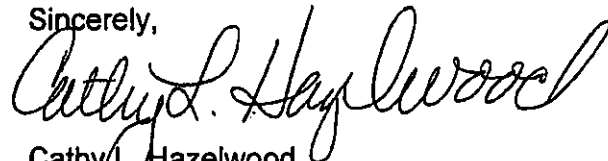
Members are either school district employees or married to a school district employee, their interest is potentially no greater or less than that of all other members of the group of school employees. Therefore, the State Ethics Commission sees no prohibition against the four Council Members participating in the deliberations and votes on the school district budget issue. The members are advised, however, that issues directly affecting their own economic interests to greater extent than other members of the school district employee group will necessitate following the procedures of Section 8-13-700(B)."

The large class exception is just that, an exception to the recusal requirements of Section 8-13-700(B), for public officials. As such, this exception must be reviewed case by case to determine whether a large class exists and whether the economic interest of the public official is greater than that of other members of the class.

Based on information provided it appears that the three council members at issue are members of a large class, i.e. all Oconee County employees; therefore, as members of a large class they do not need to remove themselves from discussing and voting on the proposed ordinance.

Thank you for contacting the State Ethics Commission. If I can be of further assistance in matters within the Commission's jurisdiction, please contact me.

Sincerely,



Cathy L. Hazelwood
Deputy Director and General Counsel

CLH/

Dear Tom:

As you know, the Edwards brothers and 25 EP Corp, LLC have gone on the record stating they will assert counterclaims against Reg Dexter, Joel Thrift, and Paul Corbeil in their individual capacities for actions taken outside their official duties. At the same time, proposed Ordinance 2014-24, which is under consideration at the next Council meeting, provides that Oconee County will use public monies to pay defense costs and potentially indemnify members for claims brought against them as individuals for actions outside of their official capacities. The preamble even appears to reference the dispute with the Edwardses and 25 EP Corp, LLC. I am uncomfortable with members voting on an ordinance when they have a direct and immediate financial interest in the matter upon which they are voting.

In advance of the next meeting, I respectfully request that you prepare a written opinion for inclusion in the record on whether Reg Dexter, Joel Thrift, and Paul Corbeil can vote on Ordinance 2014-24 under the State Ethics Act. It helps no one for Council to vote on Ordinance 2014-24, if its validity will remain in question due to the participation of disqualified members. If need be, I am requesting that you request an Ethics Opinion from the State Ethics Commission. In any event, I will be asking for this letter to be included in the record of the next County Council meeting. I hope you can see why I am concerned.

Sincerely,


Wayne McCall



OCONEE COUNTY'S ISO RATING HAS IMPROVED
Exciting News from the Insurance Services Office, Inc. (ISO)

Contact: Oconee County Fire Chief "Charlie" King at 864.638.4200

FOR IMMEDIATE RELEASE

WAIHALLA – In the spring of 2024, the ISO conducted a site visit of the Oconee County Fire Service for the purpose of assigning a Public Protection Classification (PPC) Rating for fire protection. This rating system assigns a PPC of 1 to 10. This improved rating will result in an estimated savings to insurance premiums across Oconee County of nearly \$6 million dollars.

We are incredibly proud to say that YOUR Oconee County Fire Service received a Public Protection Classification of 4. This classification covers every home and business in unincorporated areas of the county that are within 5 miles of a fire station. ISO evaluates fire protection by one of two ways, a hydrated system or an "alternative water supply."

Oconee County opted to be evaluated on the more difficult option, the "alternative water supply," which gave us the ability to improve the rating of nearly all homes and businesses outside of municipal limits. The simple method, "hydrated evaluation" only gives credit to structures within 1,000 feet of a fire hydrant, which, in Oconee County, would be essentially neglecting more than 13,500 structures.

Oconee County uses a water shuttle system to increase expand the effectiveness of available hydrants and water points. Most departments simply connect a hose to a hydrant and flow water through large diameter hose to the structure. This practice limits your operation, and effective ISO grading, to with 1000' of a hydrant. Oconee firefighters demonstrated their ability to transfer water in large tanker trucks to deliver the required water to a fire. The ability to perform these water shuttles via tanker trucks was demonstrated by the Fair Play Fire Dept. during their last ISO evaluation in 1990. Seeing the benefits of this system, afforded to everyone in the County, this plan was adopted countywide with outstanding success.

The ISO rate reduction would not have been possible without the commitment and support of County Council, County Administrator and the more than 450 firefighters across Oconee County.

Each year your fire service responds to more than 5000 emergency incidents, participates in more than 40,000 man hours of training, maintains 2846 hydrants and water point, conducts inspection & incident preplans on more than 2,200 commercial occupancies, and conducts 200 public education events. We could not be prouder of the effort each team member puts forth for the protection and safety of our community. Thank you to everyone who worked so hard to make this rate reduction a reality.

A community's PPC Rating depends on several criteria: Fire alarm and communication systems, including telephone systems, telephone lines, staffing, and dispatching systems; the fire department, including equipment, staffing, training, and geographic distribution of fire companies; water supply system – including condition and maintenance of hydrants; and a careful evaluation of the amount of available water compared with the amount needed to suppress fires up to 3,500 gallons per minute.

Class 1 represents an exemplary fire suppression program, and a Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria. ISO's PPC program evaluates communities according to a uniform set of criteria, incorporating nationally recognized standards developed by the National Fire Protection Association and the American Water Works Association.

The Oconee County Fire Service, with continued support from County Council, continues to construct fire stations in those areas currently not within a 5-mile coverage area. Three of the stations are currently open and operating. They are: Foxwood Hills, Holly Springs and on North Highway 11. Three more stations are planned for construction this winter - Cherokee Lake, Shiloh Road (near Oconee Regional Airport) and Whetstone Road in the lower Mountain Rest community.

The tables below reflect the difference in average insurance rates according to the ISO PPC ratings.

Areas with Original PPC Rating of 9 - This accounts for 13,324 homes and businesses. With an average savings below of \$400.33, the estimated savings is \$5,333,996.92.				
Home Value	Average Premium - Brick Veneer		Average Premium - Vinyl Siding	
	Old Rating	New Rating	Old Rating	New Rating
	9	4	9	4
\$ 38,975.00	\$ 647.00	\$ 414.00	\$ 768.00	\$ 471.00
\$ 85,600.00	\$ 898.00	\$ 564.00	\$ 1,075.00	\$ 645.00
\$ 139,600.00	\$ 1,215.00	\$ 727.00	\$ 1,448.00	\$ 828.00

Areas with Original PPC Rating of 7 - This accounts for nearly 2905 homes and businesses. With an average savings of \$105.50, the estimated savings is \$206,477.50.				
Home Value	Average Premium - Brick Veneer		Average Premium - Vinyl Siding	
	Old Rating	New Rating	Old Rating	New Rating
	7	4	7	4
\$ 69,200.00	\$ 575.00	\$ 502.00	\$ 663.00	\$ 573.00
\$ 101,800.00	\$ 709.00	\$ 603.00	\$ 798.00	\$ 688.00
\$ 135,300.00	\$ 833.00	\$ 710.00	\$ 942.00	\$ 812.00

Areas with Original PPC Rating of 6 - This accounts for 2838 homes and businesses. With an average savings of \$83.00 below, the estimated savings is \$235,554.00.				
Home Value	Average Premium - Brick Veneer		Average Premium - Vinyl Siding	
	Old Rating	New Rating	Old Rating	New Rating
	6	4	6	4
\$ 74,800.00	\$ 591.00	\$ 527.00	\$ 670.00	\$ 601.00
\$ 101,800.00	\$ 678.00	\$ 597.00	\$ 766.00	\$ 684.00
\$ 148,600.00	\$ 866.00	\$ 768.00	\$ 977.00	\$ 873.00

Areas with Original PPC Rating of 5 - This accounts for 2819 homes and businesses. With an average savings of \$10.60 below, the estimated savings is \$30,069.34.				
Home Value	Average Premium - Brick Veneer		Average Premium - Vinyl Siding	
	Old Rating	New Rating	Old Rating	New Rating
	5	4	5	4
\$ 47,300.00	\$ 442.00	\$ 431.00	\$ 500.00	\$ 492.00
\$ 66,800.00	\$ 483.00	\$ 472.00	\$ 544.00	\$ 533.00
\$ 94,000.00	\$ 563.00	\$ 550.00	\$ 637.00	\$ 627.00



PUBLIC HEARING SIGN IN SHEET

Oconee County Council Meeting

September 16, 2014

6:00 p.m.

✓ **Ordinance 2014-17** "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND ACI PLASTICS SOUTH, LLC; AND OTHER MATTERS RELATING THERETO INCLUDING, WITHOUT LIMITATION, PAYMENT OF A FEE IN LIEU OF TAXES RELATED TO THE PROJECT AND THE CREATION OF A JOINT COUNTY INDUSTRIAL AND BUSINESS PARK FOR THE PROJECT"

✓ **Ordinance 2014-20** "AN ORDINANCE TO AMEND CHAPTER 20 OF THE OCONEE COUNTY CODE OF ORDINANCES TO PROVIDE FOR THE ADOPTION OF SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED; SECTION 4-9-145, ENTITLED *LITTER CONTROL OFFICERS; CUSTODIAL ARREST AUTHORITY; NUMBER OF OFFICERS; POWERS AND DUTIES*, AND SECTION 56-7-80, ENTITLED *COUNTY OR MUNICIPAL UNIFORM ORDINANCE SUMMONS*; AS PART OF SUCH AMENDED CHAPTER 20; AND OTHER MATTERS RELATED THERETO"

✓ **Ordinance 2014-22** "AN ORDINANCE TO AMEND OCONEE COUNTY ORDINANCE 2014-01, THE BUDGET ORDINANCE FOR OCONEE COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1ST, 2014 AND ENDING JUNE 30TH, 2015, IN CERTAIN LIMITED REGARDS AND PARTICULARS, ONLY, SO AS TO INCLUDE A PROVISIO FOR DISBURSEMENT OF CERTAIN FUNDS; AND OTHER MATTERS RELATED THERETO"

Everyone speaking before Council will be required to do so in a civil manner.

Council will not tolerate personal attacks on individual council members, county staff or any person or group. Racial slurs will not be permitted. Council's number one priority is to conduct business for the citizens of this county. All citizens who wish to address Council and all Boards and Commission appointed by Council should do so in an appropriate manner.

Written comments may be submitted at any time prior to the hearing for inclusion in the official record of the meeting.

PRINT Your Name & Check Ordinance[s] You Wish to Address

	Ordinance #	2014-17	2014-20	2014-22
1.	Bet. Littleton		✓	
2.	Berry Nichols		✓	
3.				
4.				
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10.				

✓ ✓

	2014-17	2014-20	2014-22
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**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

COUNCIL MEETING DATE: October 7, 2014
COUNCIL MEETING TIME: 6:00 PM

ITEM TITLE [Brief Statement]:

Public Hearing & Third and Final Reading of Ordinance 2014-17 "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND ACI PLASTICS SOUTH, LLC; AND OTHER MATTERS RELATING THERETO INCLUDING, WITHOUT LIMITATION, PAYMENT OF A FEE IN LIEU OF TAXES RELATED TO THE PROJECT AND THE CREATION OF A JOINT COUNTY INDUSTRIAL AND BUSINESS PARK FOR THE PROJECT"

BACKGROUND DESCRIPTION:

This is final approval/third reading of this economic development project, formerly named PROJECT PLUME. The Oconee Economic Alliance has been working on this project since March 2013 and this brings to conclusion the incentive process which entails a "fee-in-lieu-of" agreement.

Thermoplastics processor and recycler ACI Plastics, Inc. is expanding its manufacturing operations into Oconee County. The company's \$4.1 million investment is expected to create 25 new jobs.

Flint, Mich.-based ACI Plastics is known for its separation technologies for paint removal, instrument panels, electrostatic and optical separation. ACI Plastics has purchased a former textile warehouse building at 2333 Sandifer Boulevard in Westminster and will remodel the 88,000-square-foot facility for its operations.

SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:

None

FINANCIAL IMPACT [Brief Statement]:

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by : _____ Finance

COMPLETE THIS PORTION FOR ALL GRANT REQUESTS

Are Matching Funds Available: Yes / No

If yes, who is matching and how much:

Approved by : _____ Grants

ATTACHMENTS

Ordinance 2014-17 & Agreement

STAFF RECOMMENDATION [Brief Statement]:

It is the staff's recommendation that Council approve Ordinance 2014-17 on third and final reading.

Submitted or Prepared By:



Department Head/Elected Official

Approved for Submittal to Council:



F. Scott Moulder, County Administrator

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

STATE OF SOUTH CAROLINA
OCONEE COUNTY
ORDINANCE 2014-17

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND ACI PLASTICS SOUTH, LLC; AND OTHER MATTERS RELATING THERETO INCLUDING, WITHOUT LIMITATION, PAYMENT OF A FEE IN LIEU OF TAXES RELATED TO THE PROJECT AND THE CREATION OF A JOINT COUNTY INDUSTRIAL AND BUSINESS PARK FOR THE PROJECT

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 (the "Act") of the Code of Laws of South Carolina, 1976, as amended (the "Code"), to acquire, construct, or cause to be acquired or constructed by lease or otherwise, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry or business providing for the construction, operation, maintenance and improvement of such projects; to enter into or allow financing agreements with respect to such projects; to provide for payment of a fee in lieu of taxes pursuant to the Act; and, to accept any grants for such projects through which powers the industrial development of the State of South Carolina (the "State") and will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; and

WHEREAS, the County is authorized by the Act to execute a fee in lieu of tax agreement, as defined in the Act, with respect to any such project; and

WHEREAS, ACI Plastics South, LLC, a limited liability company duly organized under the laws of the State of South Carolina (the "Company"), has requested the County to participate in executing an Inducement Agreement and Millage Rate Agreement, and a Fee Agreement and a Joint County Industrial and Business Park Agreement (the "MCIP Agreement") pursuant to the Act for the purpose of authorizing and of acquiring and expanding, by construction and purchase, certain land, a building or buildings, and machinery, apparatus, and equipment, for the purpose of the development of a facility for the purpose of the manufacturing and engineering of thermo plastic compounds in which the minimum level of taxable investment is not less than Two Million Five Hundred Thousand Dollars (\$2,500,000) in qualifying fee in lieu of tax investment by the end of the fifth (5th) year following the year of execution of the Fee Agreement (the "Project"), all as more fully set forth in the Fee Agreement attached hereto, and placing the entire Project into a Joint County Industrial and Business Park pursuant to agreement with an adjacent county (the "MCIP"); and

WHEREAS, the County has determined that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and, that

the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes; and, that the inducement of the location or expansion of the Project within the County and State is of paramount importance; and, that the benefits of the Project will be greater than the costs; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act; and

WHEREAS, the County Council has previously determined to enter into and execute the aforesaid Inducement Agreement and Millage Rate Agreement, and a Fee Agreement and to that end has, by its Resolution adopted on September 2, 2014, authorized the execution of an Inducement Agreement, which included a Millage Rate Agreement, and, will by this County Council Ordinance, authorize a fee in lieu of tax agreement (the "Fee Agreement") and a Joint County Industrial and Business Park Agreement; and

WHEREAS, the Company has caused to be prepared and presented to this meeting the form of the Fee Agreement by and between the County and the Company which includes the agreement for payment of a payment in lieu of tax, and the form of the MCIP Agreement; and

WHEREAS, it appears that the instruments above referred to, which are now before this meeting, are in appropriate form and are appropriate instruments to be executed and delivered by the County for the purposes intended; and

WHEREAS, the Project will be located in a joint county industrial and business park with Pickens County.

NOW, THEREFORE, BE IT ORDAINED by Oconee County, South Carolina, as follows:

Section 1. In order to promote industry, develop trade and utilize and employ the manpower, agricultural products and natural resources of the State by assisting the Company to expand a manufacturing facility in the State, and acquire by acquisition or construction a building or buildings and various machinery, apparatus, and equipment, all as a part of the Project to be utilized for the purpose of a facility for the manufacturing and engineering of thermo plastic compounds, the execution and delivery of a Fee Agreement with the Company for the Project, and a MCIP Agreement with Pickens County are hereby authorized, ratified and approved.

Section 2. It is hereby found, determined and declared by the County Council, as follows:

(a) Based solely upon representations of the Company, the Project will constitute a "project" as said term is referred to and defined in the Act, and the County's actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County;

(c) The terms and provisions of the Inducement Agreement and Millage Rate Agreement are hereby incorporated herein and made a part hereof;

(d) The Project will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

(e) The Project and the Fee Agreement and MCIP Agreement give rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either;

(f) The purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes;

(g) The inducement of the location or expansion of the Project within the County and State is of paramount importance; and,

(h) The benefits of the Project will be greater than the costs.

Section 3. The form, terms and provisions of the Fee Agreement and the MCIP Agreement presented to this meeting and filed with the Clerk of the County Council be and they are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Fee Agreement and MCIP Agreement were set out in this Ordinance in their entirety. The Chairman of County Council and the Clerk of the County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the Fee Agreement and the MCIP Agreement in the name and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company and the MCIP Agreement to be delivered to Pickens County. The Fee Agreement and the MCIP Agreement are to be in substantially the form now before this meeting and hereby approved, or with such minor changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of counsel to the County, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Fee Agreement and MCIP Agreement now before this meeting.

Section 4. The Chairman of the County Council and the Clerk of the County Council, for and on behalf of the County, are hereby each authorized and directed to do any and all things necessary to effect the execution and delivery of the Fee Agreement and the MCIP Agreement and the performance of all obligations of the County under and pursuant to the Fee Agreement and MCIP Agreement and this Ordinance.

Section 5. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provisions shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 6. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

Section 7. The County hereby agrees to waive, to the full extent allowed by law, the requirements of Section 12-44-55 of the Act with regard to the Fee Agreement for the Project, to the extent and so long as the Company makes and continues to make all filings required by the Act and provide copies thereof to the County.

Passed and approved this ____ day of October 2014

OCONEE COUNTY, SOUTH CAROLINA

By: _____
Joel Thrift, Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth Hulse, Clerk to County Council
Oconee County, South Carolina

First Reading: June 17, 2014
Second Reading: September 2, 2014
Public Hearing: October 7, 2014
Third Reading: October 7, 2014

STATE OF SOUTH CAROLINA)
COUNTY OF OCONEE)
)
COUNTY OF PICKENS)

AGREEMENT FOR DEVELOPMENT
FOR JOINT COUNTY INDUSTRIAL/BUSINESS
PARK (ACI PLASTICS SOUTH, LLC)

THIS AGREEMENT for the development of a joint county industrial/business park to be located within Oconee County, South Carolina ("Oconee County") is made and entered into as of the ____ day of November, 2014 by and between Oconee County and Pickens County, South Carolina ("Pickens County").

RECITALS

WHEREAS, Oconee County, South Carolina and Pickens County have determined that, in order to promote economic development and thus provide additional employment opportunities, there should be established in Oconee County, a Joint County Industrial and Business Park (ACI PLASTICS SOUTH, LLC) (the "Park"); and

WHEREAS, as a consequence of the establishment of the Park, property therein shall be exempt from ad valorem taxation, but the owners or lessees of such property shall pay annual fees in lieu of taxes in an amount equal to that amount for which such owner or lessee would be liable except for such exemptions; and

WHEREAS, Oconee County has agreed to accept responsibility for the costs of infrastructure, maintenance, promotional costs, and other appropriate costs associated with the establishment and operation of the Park, to the extent, and only to the extent, not covered by private developers or owners of property in the Park;

NOW, THEREFORE, in consideration of the mutual agreement, representations and benefits contained in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. **Binding Agreement.** This Agreement serves as a written instrument setting forth the entire agreement between the parties and shall be binding on Oconee County and Pickens County, their successors and assigns.

2. **Authorization.** Article VIII, Section 13(D), of the Constitution of South Carolina (the "Constitution") provides that counties may jointly develop an industrial and/or business park with other counties within the geographical boundaries of one or more of the member counties; provided that certain conditions specified therein are met and further provided that the General Assembly of the State of South Carolina provides by law a means by which the value of property in such park will be considered for purposes of bonded indebtedness of political subdivisions and school districts and for purposes of computing the index of taxpaying ability for school districts. Section 4-1-170, Code of Laws of South Carolina, 1976, as amended ("Section 4-1-170"), satisfies the conditions imposed by Article VIII, Section 13(D), of the Constitution and provides the statutory vehicle whereby a joint county industrial park may be created.

3. Location of the Park.

(A) The Park shall consist of property located in Oconee County. Such property is hereinafter described in Exhibit "A". The boundaries of the Park may be enlarged or diminished and property may be included from time to time as authorized by ordinances of both Oconee County and Pickens County.

(B) In the event of any enlargement or diminution of the boundaries of the Park, this Agreement shall be deemed amended and there shall be attached hereto a revised Exhibit "A" which shall contain a legal description of the boundaries of the Park, as enlarged or diminished, together with a copy of the ordinances of Oconee County Council and Pickens County Council pursuant to which such enlargement or diminution was authorized.

(C) Prior to the adoption by Oconee County Council and by Pickens County Council of ordinances authorizing the diminution of the boundaries of the Park, a public hearing shall first be held by Oconee County Council. Notice of such public hearing shall be published in a newspaper of general circulation in Oconee County at least once and not less than fifteen (15) days prior to such hearing. Notice of such public hearing shall also be served in the manner of service of process at least fifteen (15) days prior to such public hearing upon the owner and, if applicable, the lessee of any real property which would be excluded from the Park by virtue of the diminution.

(D) Notwithstanding the foregoing, for a period of five (5) years commencing with the later of the effective date of this Agreement or the effective date of the expansion of the boundaries of the Park to include such parcel, the boundaries of the Park shall not be diminished so as to exclude therefrom any parcel or real estate without the consent of the owner and the Counties and, if applicable, lessee of such parcel; and this sentence of this Agreement may not be modified or deleted herefrom for a period of five (5) years commencing with the effective date hereof, except as provided in Section 10 below.

4. Fee in Lieu of Taxes. Property located in the Park shall be exempt from ad valorem taxation in accordance with Article VIII, Section 13(D). The owners or lessees of any property situated in the Park shall pay in accordance with this Agreement an amount equivalent to the ad valorem property taxes or other in-lieu-of payments that would have been due and payable but for the location of such property within the Park.

5. Allocation of Park Expenses. Oconee County and Pickens County shall bear expenses, including, but not limited to, development, operation, maintenance and promotion of the Park in the following proportions:

A.	Oconee County	100%
B.	Pickens County	0%

Notwithstanding the foregoing, nothing herein shall be construed to prevent Oconee County from requiring the owner of privately owned property within the Park to bear all such expenses.

6. **Allocation of Park Revenues.** Oconee County and Pickens County shall receive an allocation of all revenue generated by the Park through payment of fees in lieu of ad valorem property taxes or from any other source in the following proportions:

- A. Oconee County 99%
- B. Pickens County 1%

7. **Revenue Allocation Within Each County.** Revenues generated by the Park through the payment of fees in lieu of ad valorem property taxes shall be distributed to Oconee County and to Pickens County according to the proportions established by Paragraph 6. Such revenue shall be distributed within Oconee County in accordance with the applicable governing ordinance of Oconee County in effect from time to time. Revenues received by Pickens County by way of fees in lieu of taxes from property in Oconee County in the Park shall be retained by Pickens County.

8. **Fees in Lieu of Taxes Pursuant to Titles 4, 12 and 29 of the Code of Laws of South Carolina.** It is hereby agreed that the entry by Oconee County into any one or more agreements pursuant to Section 4-12-30, Section 4-29-67 or Section 12-44-30, Code of Laws of South Carolina, 1976, as amended, or any successor statutes, with respect to property located within the Park and the terms of such agreements shall be at the sole discretion of Oconee County.

9. **Assessed Valuation.** For the purpose of calculating the bonded indebtedness limitation of the political subdivisions within the Park and for the purpose of computing the index of taxpaying ability of the applicable school district(s) pursuant to Section 59-20-20(3), Code of Laws of South Carolina, 1976, as amended, allocation of the assessed value of property within the Park to Oconee County shall be identical to the percentage established for the allocation of revenue to Oconee County pursuant to Paragraph 7.

10. **Non-qualifying Use.** Notwithstanding anything in paragraph 3 to the contrary, in the event that a tract or site of land located in the Park is purchased and developed by a person or business enterprise whose employees, because of the nature of their employment, do not qualify for the corporate income tax credit provided in South Carolina Code of Laws, 1976, as amended, Section 12-6-3360 (the "Non-qualifying Site"), Oconee County may unilaterally remove by ordinance, the Non-qualifying Site from the Park, so long as, and to the extent that such removal does not adversely impact any financing or other incentive then in effect.

The maximum tax credits allowable by Section 12-6-3360 of the Code of Laws of South Carolina, 1976, as amended or any successor statute, will apply to any business enterprise locating in the Park.

Any business enterprise locating in the Park shall pay a fee-in-lieu of ad valorem taxes as provided for in the Agreement, Article VIII Section 13 of the South Carolina Constitution and the Act. The user fee paid in lieu of ad valorem taxes shall be paid to the county treasurer for the County in which the premises is located. That portion of the fees from the Park premises allocated pursuant to the Agreement to Pickens County shall be paid by the Oconee County Treasurer to the Pickens County Treasurer within fifteen (15) business days following the end of the calendar quarter of receipt for distribution, and such distribution shall be made in accordance with the Agreement. Payments shall be made by a business or industrial enterprise on or before

the due date for taxes for a particular year. Penalties for late payment will be at the same rate and at the same times as for late tax payment. Any late payment beyond said date will accrue interest at the rate of statutory judgment interest. Oconee County, acting by and through the county tax collector for the county where the premises is located, shall maintain all liens and rights to foreclose upon liens provided for counties in the collection of ad valorem taxes.

The administration, development, promotion, and operation of the Park shall be the responsibility of the county in which each premises of the Park is located. Provided, that to the extent any Park premises is owned by a private developer, the developer shall be responsible for development expenses as contained in the Agreement.

In order to avoid any conflict of laws for ordinances between the Counties, the Oconee County ordinances will be the reference for such regulations or laws in connection with the Park premises. Nothing herein shall be taken to supersede any state or federal law for regulation.

The Oconee County Sheriff's Department will have initial jurisdiction to make arrests and exercise all authority and power within the boundaries of the Park premises and fire, sewer, water and EMS service will be provided by the service district or other political unit within whose jurisdiction the Park premises are located.

11. **Severability.** In the event and to the extent (and only to the extent) that any provision or any part of a provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable the remainder of that provision or any other provision or part of a provision of this Agreement.

12. **Termination.** Notwithstanding any provision of this Agreement to the contrary, Oconee County and Pickens County agree that this Agreement may not be terminated by either party, unilaterally, until after December 31, 2025, but may be terminated, unilaterally, by either party thereafter.

[SIGNATURE PAGES FOLLOW]

WITNESS our hands and seals this __ day of October, 2014

OCONEE COUNTY, SOUTH CAROLINA

By: _____
Joel Thrift, Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth Hulse, Clerk to County Council
Oconee County, South Carolina

And this ____ day of November, 2014

PICKENS COUNTY, SOUTH CAROLINA

By: _____
G. Neil Smith, Chairman of County Council
Pickens County, South Carolina

ATTEST:

By: _____
Donna Owen, Clerk to County Council
Pickens County, South Carolina

**EXHIBIT A
LAND DESCRIPTION
OCONEE COUNTY**

ACI Plastics South, LLC
2333 Sandifer Boulevard
Westminster, SC

All that certain piece, parcel or lot of land lying and being situate in the State of South Carolina, County of Oconee, containing 5.007 acres, more or less as shown on a plat prepared by Freeland & Associates, Inc., dated August 31, 2001, and recorded in Plat Book A-836 at page 3, records of Oconee County, South Carolina. Same property as shown on deed from Graham Buckner and Linda Buckner to ACI Plastics South, LLC dated August 13, 2014 and recorded in Deed Book 2047 at page 237 on August 19, 2014.

TMS# 251-00-04-012

FEE AGREEMENT

between

OCONEE COUNTY, SOUTH CAROLINA

and

ACI PLASTICS SOUTH, LLC
a South Carolina limited liability company
Dated as of October 1, 2014

The County and the Company hereby agree to waive, to the full extent allowed by law, the requirements of Section 12-44-55 with regard to the Fee Agreement for the Project, to the extent and so long as the Company makes and continues to make all filings required by the Act, and provides copies of all such filings to the County.

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Oconee County, South Carolina

FEE AGREEMENT

THIS FEE AGREEMENT (this "Fee Agreement") is made and entered into as of October 1, 2014, by and between OCONEE COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), acting by and through the Oconee County Council (the "County Council") as the governing body of the County, and ACI PLASTICS SOUTH, LLC (the "Company"), a limited liability company duly organized and existing under the laws of the State of South Carolina.

WITNESSETH:

Recitals.

The County is authorized by Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the "Act") to enter into a fee agreement with entities meeting the requirements of such Act, which identifies certain property of such entities as economic development property, to induce such industries to locate in the State and to encourage industries now located in the State to expand their investments and thus make use of and employ manpower and other resources of the State.

Pursuant to the Act, the County finds that (a) the Project (as defined herein) is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefit not otherwise adequately provided locally; (b) the Project gives rise to no pecuniary liability of the County or any incorporated municipality and to no charge against its general credit or taxing power; (c) the purposes to be accomplished by the Project are proper governmental and public purposes; and (d) the cost benefit analysis required by Section 12-44-

40(H)(1)(c) demonstrates the benefits of the Project to the public are greater than the costs of the Project to the public.

Pursuant to an Inducement Agreement executed by the County on September 2, 2014 and by the Company on October 1, 2014 (referred to herein as the "Inducement Agreement") authorized by a resolution adopted by the County Council on September 2, 2014 (referred to herein as the "Inducement Resolution"), the Company has agreed to expand, acquire and equip by construction, purchase, lease-purchase, lease or otherwise a facility for the manufacturing and engineering of thermo plastic compounds (the "Facility") which is located in the County, which would consist of the acquisition, construction, installation, expansion, improvement, design and engineering, in phases, of additional or improved machinery and equipment, buildings, improvements or fixtures which will constitute the project (the "Project"). The Project in the Park (as hereinafter defined) in the County involves an initial taxable investment of at least \$2,500,000 in qualifying Economic Development Property (hereinafter defined) in the County.

Pursuant to an Ordinance adopted on October 7, 2014 (the "Fee Ordinance"), as an inducement to the Company to develop the Project and at the Company's request, the County Council authorized the County to execute and deliver this Fee Agreement which identifies the property comprising the Project as Economic Development Property (as defined in the Act) under the Act subject to the terms and conditions hereof.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows, with the understanding that no obligation of the County described herein shall create a pecuniary liability or charge upon its general credit or taxing powers, but shall be payable solely out of the sources of payment described

herein and shall not under any circumstances be deemed to constitute a general obligation of the County.

ARTICLE I

DEFINITIONS

The terms defined in this Article shall for all purposes of this Fee Agreement have the meaning herein specified, unless the context clearly requires otherwise.

"Act" shall mean Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended, and all future acts supplemental thereto or amendatory thereof.

"Authorized Company Representative" shall mean any person designated from time to time to act on behalf of the Company by its President or one of its vice presidents, its chief executive officer, its general counsel, its treasurer or any assistant treasurer, its secretary or any assistant secretary as evidenced by a written certificate or certificates furnished to the County containing the specimen signature of each such person, signed on behalf of the Company by its President, one of its vice presidents, its chief executive officer, its general counsel, its treasurer or any assistant treasurer, its secretary or any assistant secretary. Such certificates may designate an alternate or alternates, and may designate different Authorized Company Representatives to act for the Company with respect to different sections of this Fee Agreement.

"Authorized County Representative" shall mean the Chairman of County Council, Administrator of the County or their designee as evidenced by a written certificate of the Chairman of County Council or the County Administrator (hereinafter defined).

"Chairman" shall mean the Chairman of the County Council of Oconee County, South Carolina.

"Clerk to County Council" shall mean the Clerk to the County Council of Oconee County, South Carolina.

"Closing" or "Closing Date" shall mean the date of the execution and delivery hereof.

"Code" shall mean the Code of Laws of South Carolina, 1976, as amended.

"Company" shall mean ACI Plastics South, LLC, a South Carolina limited liability company duly qualified to transact business in the State.

"County" shall mean Oconee County, South Carolina, a body politic and corporate and a political subdivision of the State, its successors and assigns, acting by and through the County Council as the governing body of the County.

"County Administrator" shall mean the Administrator of Oconee County, South Carolina.

"County Council" shall mean the Oconee County Council, the governing body of the County.

"Diminution of Value" in respect of any Phase of the Project shall mean any reduction in the value based on original fair market value as determined in Step 1 of Section 4.1 of this Fee Agreement, of the items which constitute a part of the Phase which may be caused by (i) the Company's removal of equipment pursuant to Section 4.6 of this Fee Agreement, (ii) a casualty to the Phase of the Project, or any part thereof, described in Section 4.7 of this Fee Agreement or (iii) a condemnation to the Phase of the Project, or any part thereof, described in Section 4.8 of this Fee Agreement.

"Economic Development Property" shall mean all items of real and/or tangible personal property comprising the Project which are eligible for inclusion as economic development property under the Act, become subject to the Fee Agreement, and which are identified by the Company in

connection with its required annual filing of a SCDOR PT-100, PT-300 or comparable form with the South Carolina Department of Revenue (as such filing may be amended from time to time) for each year within the Investment Period. Title to all Economic Development Property shall at all times remain vested in the Company.

"Equipment" shall mean all of the machinery, equipment, furniture and fixtures, together with any and all additions, accessions, replacements and substitutions thereto or therefor to the extent such machinery, equipment and fixtures constitute Economic Development Property and thus become a part of the Project under this Fee Agreement.

"Event of Default" shall mean any Event of Default specified in Section 5.6 of this Fee Agreement.

"Facility" shall mean any such facility that the Company may cause to be constructed, acquired, modified or expanded in Oconee County, South Carolina on the land owned by, leased by or on behalf of the Company for the Project.

"Fee Agreement" shall mean this fee agreement.

"Fee Term" or "Term" shall mean the period from the date of delivery of this Fee Agreement until the last Phase Termination Date unless sooner terminated or extended pursuant to the terms of this Fee Agreement.

"Improvements" shall mean improvements to real property, together with any and all additions, accessions, replacements and substitutions thereto or therefor, but only to the extent such additions, accessions, replacements, and substitutions are deemed to become part of the Project under the terms of this Fee Agreement.

"Inducement Agreement" shall mean the Inducement Agreement entered into between the County on September 2, 2014 and the Company on October 1, 2014 as authorized by the Inducement Resolution.

"Inducement Resolution" shall mean the resolution of the County Council adopted on September 2, 2014, authorizing the County to enter into the Inducement Agreement.

"Investment Period" shall mean the period commencing January 1, 2014 and ending on the last day of the fifth (5th) property tax year following the property tax year in which this Agreement is executed; or, the tenth (10th) property tax year following the property tax year in which this Agreement is executed if the County shall hereafter agree, pursuant to and in accordance with the Act, to extend the Investment Period.

"Park" shall mean the industrial and business park created by the Park Agreement.

"Park Agreement" shall mean the Agreement for Development of an Industrial/Business Park for Oconee County and Pickens County in which the Economic Development Property is located, originally dated November 17, 2014 and as amended from time to time.

"Phase" or "Phases" in respect of the Project shall mean the Equipment, Improvements and Real Property, if any, placed in service during each year of the Investment Period.

"Phase Termination Date" shall mean with respect to each Phase of the Project the day thirty years after each such Phase of the Project becomes subject to the terms of this Fee Agreement. Anything contained herein to the contrary notwithstanding, the last Phase Termination Date shall be no later than December 31, 2049, or December 31, 2054, if an extension of time in which to complete the Project is granted by the County at its discretion pursuant to Section 12-44-30(13) of the Act, as amended, but only if the County subsequently agrees to such an extension of

the Investment Period in writing, or an even later date if the Phase Termination Date is extended, in accordance with the terms hereof, with or without an extension of the Investment Period, but only if the County subsequently agrees to a maximum Phase Termination Date exceeding thirty years after each Phase of the Project becomes subject to the terms of this Fee Agreement and such agreement is approved by the county Council and reduced to writing.

"Project" shall mean such of the Equipment, Improvements, and/or Real Property located at the Facility, which constitutes eligible Economic Development Property under the Act and this Agreement and which is reported as such to the SC Department of Revenue on the appropriate forms.

"Real Property" shall mean the real property described in Exhibit A, together with all and singular the rights, members, hereditaments and appurtenances belonging or in any way incident or appertaining thereto to the extent such shall become a part of the Project under the terms of this Fee Agreement; all Improvements now or hereafter situated thereon; and all fixtures now or hereafter attached thereto, but only to the extent such Improvements and fixtures are deemed to become part of the Project under the terms of this Fee Agreement.

"Removed Components" shall mean the following types of components or Phases of the Project or portions thereof, all of which the Company shall be entitled to remove from the Project with the result that the same shall no longer be subject to the terms of the Fee Agreement: (a) components or Phases of the Project or portions thereof which the Company, in its sole discretion, determines to be inadequate, obsolete, worn-out, uneconomic, damaged, unsuitable, undesirable or unnecessary; or (b) components or Phases of the Project or portions thereof which the Company in

its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) of this Fee Agreement.

"Replacement Property" shall mean any property which is placed in service as a replacement of any item of Equipment or any Improvement which is scrapped or sold by the Company and treated as a Removed Component under Sections 4.6, 4.7 or 4.8 hereof regardless of whether such property serves the same function as the property it is replacing and regardless of whether more than one piece of property replaces any item of Equipment or any Improvement.

"Required Minimum Investment" shall mean that the Company shall be required to invest under and pursuant to the Fee Agreement not less than Two Million Five Hundred Thousand Dollars (\$2,500,000) in qualifying, taxable investment in the Project by the end of the fifth (5th) year after the year of execution of the Fee Agreement and such investment will be maintained, without regard to depreciation, in accordance with the Act.

"State" shall mean the State of South Carolina.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall be deemed to include any and all amendments, supplements, addenda, and modifications to such agreement or document.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations of the County. The County hereby represents and warrants to the Company as follows:

(a) The County is a body politic and corporate and a political subdivision of the State which acts through the County Council as its governing body and by the provisions of the Act is authorized and empowered to enter into the transactions contemplated by this Fee Agreement and to carry out its obligations hereunder. The County has duly authorized the execution and delivery of this Fee Agreement and any and all other agreements described herein or therein.

(b) The Project, as represented by the Company to the County, constitutes a "project" within the meaning of the Act.

(c) By due corporate action, the County has agreed that, subject to compliance with applicable laws, each item of real and tangible personal property comprising the Project shall be considered Economic Development Property under the Act. The Authorized County Representative is to take all administrative or managerial actions to be taken or consented to by the County pursuant to this Agreement.

(d) The benefits of the Project, based upon the representations of value by the Company and a cost benefit analysis performed by the Oconee County Economic Development Commission or the Oconee Economic Alliance exceed the costs of the Project to the County.

Section 2.2 Representations of the Company. The Company hereby represents and warrants to the County as follows:

(a) The Company is duly organized and in good standing under the laws of the State of South Carolina, is qualified to do business in the State, has power to enter into this Fee Agreement, and by proper company action has duly authorized the execution and delivery of this Fee Agreement.

(b) The Company's execution and delivery of this Fee Agreement and its compliance with the provisions hereof will not result in a default, not waived or cured, under any company organizational document or any agreement or instrument to which the Company is now a party or by which it is bound.

(c) The Company intends to operate the Project as a "project" within the meaning of the Act as in effect on the date hereof. The Company intends to operate the Project for the purpose of a facility to be used for the manufacturing and engineering of thermo plastic compounds and other legal activities and functions with respect thereto, and for such other purposes permitted under the Act as the Company may deem appropriate.

(d) The availability of the payment in lieu of taxes with regard to the Economic Development Property authorized by the Act has induced the Company to expand or to locate the Project in the State.

(e) The Company anticipates that the cost of the project will be at least \$2,500,000 in qualifying Economic Development Property in the County on or before December 31, 2019.

(f) The Company agrees to invest not less than Two Million Five Hundred Thousand Dollars (\$2,500,000) in Economic Development Property (the "Required Minimum Investment") on or before December 31, 2019, and to maintain such investment, without regard to depreciation, in the Project from that point on until the end of the Term. Should such Required Minimum

Investment not be met, the Company will lose the benefit of the Fee Agreement, and the Project will revert to normal tax treatment, pursuant to Section 12-44-140(B) of the Act and Section 4.2 hereof. Failure to maintain the investment shall result in termination of this Agreement and its benefits prospectively, in accordance with Section 4.4 hereof.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 3.1 The Project. The Company has acquired, constructed and/or installed or made plans for the acquisition, lease, construction, expansion and/or installation of certain land, buildings, improvements, fixtures, machinery and equipment which comprise the Project.

Pursuant to the Act, the Company and the County hereby agree that the property comprising the Project shall be Economic Development Property as defined under the Act. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project provided it makes the payments required hereunder, and provided that the Company may lose the benefit of this Fee Agreement if it does not meet the Required Minimum Investment.

Section 3.2 Diligent Completion. The Company agrees to use its reasonable efforts to cause the acquisition, construction and installation of the Project to be completed as soon as practicable, but in any event on or prior to December 31, 2019. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project in the event that it pays all amounts due by it under the terms of this Fee Agreement, and provided that the Company may lose the benefit of this Fee Agreement if it does not complete the Project.

Section 3.3. Filings

(a) On or before May 1 of each year up to and including the May 1 immediately following the preceding December 31 of the year in which the completion of the Project has occurred, including an extension of the Investment Period if granted, the Company shall provide the Oconee County Auditor with a list of all Project property as was placed in service during the year ended as of the prior December 31.

(b) The Company shall deliver to the Oconee County Auditor copies of all annual filings made with the Department with respect to the Project during the term of this Agreement, not later than thirty (30) days following delivery thereof to the Department.

(c) The Company shall cause a copy of this Agreement to be filed with the Oconee County Auditor, Oconee County Assessor and the Department within thirty (30) days after the date of execution and delivery hereof.

(d) The Company shall be responsible to the County (i) for filing annual tax reports to the South Carolina Department of Revenue, (ii) for computing the fee in lieu of tax owed to the County by the Economic Development Property and (iii) for paying the fee in lieu of tax and any other amounts due hereunder to the County.

ARTICLE IV

PAYMENTS IN LIEU OF TAXES

Section 4.1 Negotiated Payments. Pursuant to Section 12-44-50 of the Act, the Company is required to make payments in lieu of ad valorem taxes to the County with respect to the Project. Inasmuch as the Company anticipates the Project will involve an initial investment of sufficient sums to qualify to enter into a fee in lieu of tax arrangement under Section 12-44-

50(A)(1) of the Act, and to meet the Required Minimum Investment, the County and the Company have negotiated the amount of the payments in lieu of taxes in accordance therewith. In accordance therewith, the Company shall make payments in lieu of ad valorem taxes on all real and personal property which comprises the Project and is placed in service, as follows: the Company shall make payments in lieu of ad valorem taxes with respect to each Phase of the Project placed in service on or before each December 31 through December 31, 2019, or up to December 31, 2024, if an extension of time to complete the Project is subsequently granted by the County in its discretion pursuant to Section 12-44-30(13) of the Act, said payments to be made annually and to be due and payable and subject to penalty assessments on the same dates and in the same manner as prescribed by the County for ad valorem taxes. The amount of such equal annual payments in lieu of taxes shall be determined by the following procedure (subject, in any event, to the required procedures under the Act):

- Step 1: Determine the fair market value of the Phase of the Project placed in service in any given year for such year and for the following 29 years using original income tax basis for State income tax purposes for any real property (provided, if real property is constructed for the fee or is purchased in an arms length transaction, fair market value is deemed to equal the original income tax basis, otherwise, the Department of Revenue will determine fair market value by appraisal) and original income tax basis for State income tax purposes less depreciation for each year allowable to the Company for any personal property as determined in accordance with Title 12 of the Code, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement, except that no extraordinary obsolescence shall be allowable but taking into account all applicable property tax exemptions which would be allowed to the Company under State law, if the property were taxable, except those exemptions specifically disallowed under Section 12-44-50(A)(2) of the Act, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement.

- Step 2: Apply an assessment ratio of six percent (6%) to the fair market value as determined for each year in Step 1 to establish the taxable value of each Phase of the Project in the year it is placed in service and in each of the twenty nine years thereafter or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended, if the County approves, in writing, the use of such longer period created by any such amendment.
- Step 3: Multiply the taxable values, from Step 2, by the cumulative, combined millage rate in effect for the Project site on June 30, 2014, which the parties believe to be 215.0 mils (which millage rate shall remain fixed for the term of this Fee Agreement), to determine the amount of the payments in lieu of taxes which would be due in each of the thirty years listed on the payment dates prescribed by the County for such payments, or such longer period of years that the County may subsequently agree, in writing, that the annual fee payment is permitted to be made by the Company under the Act, as amended.

In the event that it is determined by a final order of a court of competent jurisdiction or by agreement of the parties that the minimum payment in lieu of taxes applicable to this transaction is to be calculated differently than described above, the payment shall be reset at the minimum permitted level so determined, but never lower than the level described in this Agreement for the investment in the Project without the express, written consent of the County.

In the event that the Act and/or the above-described payments in lieu of taxes are declared invalid or unenforceable, in whole or in part, for any reason, the parties express their intentions that such payments be reformed so as to most closely effectuate the legal, valid, and enforceable intent thereof and so as to afford the Company with the benefits to be derived herefrom, it being the intention of the County to offer the Company a strong inducement to locate the Project in the County. If the Project is deemed to be subject to ad valorem taxation, the payment in lieu of ad

valorem taxes to be paid to the County by the Company shall become equal to the amount which would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the Project did not constitute Economic Development Property under the Act, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company if the Project was and had not been Economic Development Property under the Act. In such event, any amount determined to be due and owing to the County from the Company, with respect to a year or years for which payments in lieu of ad valorem taxes have been previously remitted by the Company to the County hereunder, shall be reduced by the actual amount of payments in lieu of ad valorem taxes already made by the Company with respect to the Project pursuant to the terms hereof.

Section 4.2 Failure to Make Required Minimum Investment. Notwithstanding any other provision of this Agreement to the contrary, in the event that investment (within the meaning of the Act) in the Project has not exceeded \$2,500,000 in non-exempt (subject to the fee) investment, as required under Section 12-44-30 (13) of the Act by December 31, 2019, then, unless otherwise agreed to by the County, beginning with the payment due in 2020, the payment in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount as would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the items of property comprising the Project were not Economic Development Property, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company in such a case, and the Investment Period will be terminated at that point. In addition to the foregoing, the Company shall pay to the County an amount which is equal to the excess, if any, of (i) the total amount of ad valorem taxes that

would have been payable to the County with respect to the Project through and including 2020 using the calculations described in this Section, over, (ii) the total amount of payments in lieu of ad valorem taxes actually made by the Company with respect to the Project through and including 2020. Any amounts determined owing pursuant to the foregoing sentence shall be subject to interest as provided under State law for non-payment of ad valorem taxes.

Section 4.3 Payments in Lieu of Taxes on Replacement Property. If the Company elects to replace any Removed Components and to substitute such Removed Components with Replacement Property as a part of the Project, then, pursuant and subject to Section 12-44-60 of the Act or any successor provision, the Company shall make statutory payments in lieu of ad valorem taxes with regard to such Replacement Property as follows:

- (i) to the extent that the income tax basis of the Replacement Property (the "Replacement Value") is less than or equal to the original income tax basis of the Removed Components (the "Original Value") the amount of the payments in lieu of taxes to be made by the Company with respect to such Replacement Property shall be calculated in accordance with Section 4.1 hereof; provided, however, in making such calculations, the original cost to be used in Step 1 of Section 4.1 shall be equal to the lesser of (x) the Replacement Value and (y) the Original Value, and the number of annual payments to be made with respect to the Replacement Property shall be equal to thirty (30) (or, if greater, pursuant to subsequent written agreement with the County, the maximum number of years for which the annual fee payments are available to the Company for each portion of the Project under the Act, as amended) minus the number of annual payments which have been made with

respect to the Removed Components; and provided, further, however, that in the event a varying number of annual payments have been made with respect to such Removed Components as a result of such Removed Components being included within more than one Phase of the Project, then the number of annual payments which shall be deemed to have been made shall be the greater of such number of annual payments; and

- (ii) to the extent that the Replacement Value exceeds the Original Value of the Removed Components (the "Excess Value"), the payments in lieu of taxes to be made by the Company with respect to the Excess Value shall be equal to the payment that would be due if the property were not Economic Development Property.

Section 4.4 Reductions in Payments of Taxes Upon Removal, Condemnation or Casualty. In the event of a Diminution in Value of any Phase of the Project, the payment in lieu of taxes with regard to that Phase of the Project shall be reduced in the same proportion as the amount of such Diminution in Value bears to the original fair market value of that Phase of the Project as determined pursuant to Step 1 of Section 4.1 hereof; provided, always, however, and notwithstanding any other provision of this Agreement, that if at any time subsequent to December 31, 2019, the total value of the Project based on the original income tax basis of the Equipment, Real Property and Improvements contained therein, without deduction for depreciation, is less than \$2,500,000 in taxable (fee-in-lieu of tax) investment then, beginning with the first payment thereafter due hereunder and continuing until the end of the Fee Term, the Company shall make

payments equal to the payments which would be due if the property were not Economic Development Property.

Section 4.5 Place and Allocation of Payments in Lieu of Taxes. The Company shall make the above-described payments in lieu of taxes directly to the County in accordance with applicable law as to time, place, method of payment, and penalties and enforcement of collection.

Section 4.6 Removal of Equipment. Provided that no Event of Default shall have occurred and be continuing under this Fee Agreement, and subject to Section 4.4, hereof, the Company shall be entitled to remove the following types of components or Phases of the Project from the Project with the result that said components or Phases (the "Removed Components") shall no longer be considered a part of the Project and shall no longer be subject to the terms of this Fee Agreement: (a) components or Phases which become subject to statutory payments in lieu of ad valorem taxes; (b) components or Phases of the Project or portions thereof which the Company, in its sole discretion, determines to be inadequate, obsolete, uneconomic, worn-out, damaged, unsuitable, undesirable or unnecessary; or (c) components or Phases of the Project or portions thereof which the Company, in its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) hereof. The Company shall provide annual written notice to the County of the Removed Components in conjunction with the filing of the PT300 property tax form.

Section 4.7 Damage or Destruction of Project.

(a) Election to Terminate. In the event the Project is damaged by fire, explosion, or any other casualty, the Company shall be entitled to terminate this Agreement.

(b) Election to Rebuild. In the event the Project is damaged by fire, explosion, or any other casualty, and if the Company does not elect to terminate this Agreement, the Company may

commence to restore the Project with such reductions or enlargements in the scope of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company, subject to the provisions of Section 4.4, hereof. Subject to the terms and provisions of this Agreement, all such restorations and replacements shall be considered substitutions of the destroyed portions of the Project and shall be considered part of the Project for all purposes hereof, including, but not limited to any amounts due by the Company to the County under Section 4.1 hereof.

(c) Election to Remove. In the event the Company elects not to terminate this Agreement pursuant to subsection (a) and elects not to rebuild pursuant to subsection (b), the damaged portions of the Project shall be treated as Removed Components.

Section 4.8 Condemnation.

(a) Complete Taking. If at any time during the Fee Term title to or temporary use of the entire Project should become vested in a public or quasi-public authority by virtue of the exercise of a taking by condemnation, inverse condemnation or the right of eminent domain, or by voluntary transfer under threat of such taking, or in the event that title to a portion of the Project shall be taken rendering continued occupancy of the Project commercially infeasible in the judgment of the Company, the Company shall have the option to terminate this Fee Agreement as of the time of vesting of title by sending written notice to the County within a reasonable period of time following such vesting.

(b) Partial Taking. In the event of a partial taking of the Project or a transfer in lieu thereof, and subject to Section 4.4, hereof, the Company may elect: (i) to terminate this Fee Agreement; (ii) to repair and restore the Project, with such reductions or enlargements in the scope

of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company; or (iii) to treat the portions of the Project so taken as Removed Components.

ARTICLE V

MISCELLANEOUS

Section 5.1 Maintenance of Existence. The Company agrees (i) that it shall not take any action which will materially impair the maintenance of its company existence and (ii) that it will maintain its good standing under all applicable provisions of State law. Provided: however, the Company may merge with, or be acquired by, another company so long as the surviving Company has a net asset value equal to or greater than that of the Company's net asset value.

Section 5.2 Indemnification Covenants; Fees and Expenses of County.

(a) The Company shall and agrees to indemnify and save the County, its members, employees, officers, and agents (the "Indemnified Parties") harmless against and from all claims by or on behalf of any person, firm or corporation arising from the County's entry into this Agreement. The Company shall indemnify and save the Indemnified Parties harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from the County; the Company shall defend them in any such action, prosecution or proceeding.

(b) The Company further agrees to pay all reasonable and necessary expenses incurred by the County with respect to the preparation and delivery, and administration of this Agreement, including but not limited to attorneys fees and expenses.

Section 5.3 Confidentiality/Limitation on Access to Project. The County acknowledges and understands that the Company utilizes confidential and proprietary "state of the art" equipment and techniques and that any disclosure of any information relating to such equipment or techniques, including but not limited to disclosures of financial or other information concerning the Company's operations could result in substantial harm to the Company and could thereby have a significant detrimental impact on the Company's employees and also upon the County. Therefore, the County agrees that, except as required by law and pursuant to the County's police powers or neither the County nor any employee, agent or contractor of the County: (i) shall request or be entitled to receive any such confidential or proprietary information; (ii) shall request or be entitled to inspect the Project, the Facility or any property associated therewith; provided, however, that if an Event of Default shall have occurred and be continuing hereunder, the County shall be entitled to inspect the Project provided they shall comply with the remaining provisions of this Section; or the County (iii) shall use its best, good faith efforts to not knowingly and intentionally disclose or otherwise divulge any such confidential or proprietary information to any other person, firm, governmental body or agency, or any other entity unless specifically required to do so by State law. Notwithstanding the expectation that the County will not have any confidential or proprietary information of the Company, if the Company does provide such information to the County, if the Company will clearly and conspicuously mark such information as "Confidential" or "Proprietary", or both, then, in that event, prior to disclosing any confidential or proprietary information or allowing inspections of the Project, the Facility or any property associated therewith, the Company may require the execution of reasonable, individual, confidentiality and non-disclosure agreements by any officers, employees or agents of the County or any supporting or cooperating governmental agencies who

would gather, receive or review such information or conduct or review the results of any inspections. Notwithstanding the above, the Company agrees:

- (i) to maintain complete books and records accounting for the acquisition, financing, construction and operation of the Project. Such books and records shall permit ready identification of the components of the Project;
- (ii) confirm the dates on which each portions of the Project are placed in service; and
- (iii) include copies of all filings made by the Company with the Oconee County Auditor or the Department with respect to property placed in service as part of the Project.

Section 5.4 Assignment and Subletting. This Fee Agreement may be assigned in whole or in part and the Project may be subleased as a whole or in part by the Company with the prior consent of the County, which consent will not unreasonably be withheld, so long as such assignment or sublease is made in compliance with Section 12-44-120 of the Act.

Section 5.5 Events of Default. The following shall be "Events of Default" under this Fee Agreement, and the term "Events of Default" shall mean, whenever used with reference to this Fee Agreement, any one or more of the following occurrences:

(a) Failure by the Company to pay any other amounts due hereunder or to make, upon levy, the payments in lieu of taxes described in Section 4.1 hereof; provided, however, that the Company shall be entitled to all redemption rights granted by applicable statutes; or

(b) Failure by the Company to perform any of the material terms, conditions, obligations or covenants of the Company hereunder, other than those already noted in this Section

5.5 which failure shall continue for a period of ninety (90) days after written notice from the County to the Company specifying such failure and requesting that it be remedied, unless the County shall agree in writing to an extension of such time prior to its expiration.

(c) The Company shall file a voluntary petition seeking an order for relief in bankruptcy, or shall be adjudicated insolvent, or shall file any petition or answer or commence a case seeking any reorganization, composition, readjustment, liquidation or similar order for relief or relief for itself under any present or future statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of either of the Company or of the Project, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

Section 5.6 Remedies on Default. Whenever any Event of Default shall have occurred and shall be continuing, the County may take any one or more of the following remedial actions:

- (a) Terminate the Fee Agreement; or
- (b) Take whatever action at law or in equity may appear necessary or desirable to collect the other amounts due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Fee Agreement, including, without limitation, those actions previously specified in this Agreement.

In addition to all other remedies herein provided, the nonpayment of payments in lieu of taxes herein shall constitute a lien for tax purposes as provided in Section 12-44-90 of the Act. In this regard, and notwithstanding anything in this Agreement to the contrary, the County may exercise the remedies provided by general law (including Title 12, Chapter 49, of the South

Carolina Code) relating to the enforced collection of ad valorem taxes to collect any payments in lieu of taxes due hereunder.

Section 5.7 Remedies Not Exclusive. No remedy conferred upon or reserved to the County under this Fee Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other lawful remedy now or hereafter existing. No delay or omission to exercise any right or power accruing upon any continuing default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the County to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be herein expressly required and such notice required at law or equity which the Company is not competent to waive.

Section 5.8 Reimbursement of Legal Fees and Expenses. The Company agrees to reimburse or otherwise pay, on behalf of the County, any and all reasonable expenses not hereinbefore mentioned incurred by the County in connection with the Project. Further if the Company shall default under any of the provisions of this Fee Agreement and the County shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company contained herein, the Company will, within thirty (30) days of demand therefor, reimburse the reasonable fees of such attorneys and such other reasonable expenses so incurred by the County.

Section 5.9 No Waiver. No failure or delay on the part of the County in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No waiver of any provision hereof shall be effective unless the same shall be in writing and signed by the County.

Section 5.10 Notices. Any notice, election, demand, request or other communication to be provided under this Fee Agreement shall be effective when delivered to the party named below or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms hereof require receipt rather than sending of any notice, in which case such provision shall control:

AS TO THE COUNTY:	Oconee County, South Carolina 415 South Pine Street Walhalla, South Carolina 29691 Attention: County Administrator
AS TO THE COMPANY:	ACI Plastics South, LLC 2945 Davison Road Flint, MI 48506
WITH A COPY TO:	J. Wesley Crum, III P.A. 233 North Main Street, Suite 200F Greenville, South Carolina 29601 Attention: J. Wesley Crum III, Esquire

Section 5.11 Binding Effect. This Fee Agreement and each document contemplated hereby or related hereto shall be binding upon and inure to the benefit of the Company and the County and their respective successors and assigns. In the event of the dissolution of the County or

the consolidation of any part of the County with any other political subdivision or the transfer of any rights of the County to any other such political subdivision, all of the covenants, stipulations, promises and agreements of this Fee Agreement shall bind and inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County has been transferred.

Section 5.12 Counterparts. This Fee Agreement may be executed in any number of counterparts, and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

Section 5.13 Governing Law. This Fee Agreement and all documents executed in connection herewith shall be construed in accordance with and governed by the laws of the State.

Section 5.14 Headings. The headings of the articles and sections of this Fee Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Fee Agreement.

Section 5.15 Amendments. The provisions of this Fee Agreement may only be modified or amended in writing by any agreement or agreements entered into between the parties.

Section 5.16 Further Assurance. From time to time, and at the sole expense of the Company, the County agrees to execute and deliver to the Company such additional instruments as the Company may reasonably request to effectuate the purposes of this Fee Agreement.

Section 5.17 Severability. If any provision of this Fee Agreement is declared illegal, invalid or unenforceable for any reason, the remaining provisions hereof shall be unimpaired and such illegal, invalid or unenforceable provision shall be reformed so as to most closely effectuate the legal, valid and enforceable intent thereof and so as to afford the Company with the maximum

benefits to be derived herefrom, it being the intention of the County to offer the Company a strong inducement to locate the Project in the County.

Section 5.18 Limited Obligation. ANY OBLIGATION OF THE COUNTY CREATED BY OR ARISING OUT OF THIS FEE AGREEMENT SHALL BE A LIMITED OBLIGATION OF THE COUNTY, PAYABLE BY THE COUNTY SOLELY FROM THE PROCEEDS DERIVED UNDER THIS FEE AGREEMENT AND SHALL NOT UNDER ANY CIRCUMSTANCES BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

Section 5.19 Force Majeure. Except with respect to the timely payment of all fee in lieu of tax payments to the County hereunder and to the extent recognized by the Act, the Company shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, fire, floods, inability to obtain materials, conditions arising from government orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond Company's reasonable control.

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and behalf by the County Chairman and to be attested by the Clerk to County Council; and the Company has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

OCONEE COUNTY, SOUTH CAROLINA

By: _____
Joel Thrift, Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth G. Hulse, Clerk to County Council
Oconee County, South Carolina

ACI PLASTICS SOUTH, LLC

By: _____
Its: _____

**EXHIBIT A
LAND DESCRIPTION**

All that certain piece, parcel or lot of land lying and being situate in the State of South Carolina, County of Oconee, containing 5.007 acres, more or less as shown on a plat prepared by Freeland & Associates, Inc., dated August 31, 2001, and recorded in Plat Book A-836 at page 3, records of Oconee County, South Carolina. Same property as shown on deed from Graham Buckner and Linda Buckner to ACI Plastics South, LLC dated August 13, 2014 and recorded in Deed Book 2047 at page 237 on August 19, 2014.

TMS# 251-00-04-012

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

COUNCIL MEETING DATE: October 7, 2014
COUNCIL MEETING TIME: 6:00 PM

ITEM TITLE [Brief Statement]:

Public Hearing and Third & Final Reading of Ordinance 2014-20 "AN ORDINANCE TO AMEND CHAPTER 20 OF THE OCONEE COUNTY CODE OF ORDINANCES TO PROVIDE FOR THE ADOPTION OF SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, SECTION 4-9-145, ENTITLED *LITTER CONTROL OFFICERS; CUSTODIAL ARREST AUTHORITY; NUMBER OF OFFICERS; POWERS AND DUTIES*, AND SECTION 56-7-80, ENTITLED *COUNTY OR MUNICIPAL UNIFORM ORDINANCE SUMMONS*, AS PART OF SUCH AMENDED CHAPTER 20; AND OTHER MATTERS RELATED THERETO"

BACKGROUND DESCRIPTION:

This ordinance **DOES NOT** give personnel authorized by this ordinance custodial arrest authority. Only sheriff's office personnel that go through state approved certification & training may perform a custodial arrest.

Ordinance 2014-20 will enable authorized Oconee County personnel to be commissioned by Oconee County Council, and to issue county uniform ordinance summons in accordance with state law. This will assist authorized personnel when pursuing cases regarding violations of Oconee County Code of Ordinances, will free up Sheriff's Deputies for other more critical work, and is the procedure being used in virtually all other South Carolina counties for handling county code violations.

SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:

None

FINANCIAL IMPACT [Brief Statement]:

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by : _____ Finance

COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:

Are Matching Funds Available: Yes / No

If yes, who is matching and how much:

Approved by : _____ Grants

ATTACHMENTS

None

STAFF RECOMMENDATION [Brief Statement]:

It is staff's recommendation that Council take 2nd & final reading of Ordinance 2014-20.

Submitted or Prepared By:

Department Head/Elected Official

Approved for Submittal to Council:


T. Scott Moulder, County Administrator

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

**OCONEE COUNTY
STATE OF SOUTH CAROLINA
ORDINANCE 2014-20**

**AN ORDINANCE TO AMEND CHAPTER 20 OF THE
OCONEE COUNTY CODE OF ORDINANCES TO
PROVIDE FOR THE ADOPTION OF SOUTH CAROLINA
CODE OF LAWS, 1976, AS AMENDED: SECTION 4-9-145,
ENTITLED *LITTER CONTROL OFFICERS; CUSTODIAL
ARREST AUTHORITY; NUMBER OF OFFICERS; POWERS
AND DUTIES*, AND SECTION 56-7-80, ENTITLED
COUNTRY OR MUNICIPAL UNIFORM ORDINANCE
SUMMONS, AS PART OF SUCH AMENDED CHAPTER 20;
AND OTHER MATTERS RELATED THERETO**

WHEREAS, Oconee County, South Carolina (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), acting by and through the Oconee County Council (the "County Council"), has previously adopted multiple Ordinances for the effective and efficient governance of the County, which, subsequent to adoption, are codified in the Oconee County Code of Ordinances (the "Code of Ordinances"), as amended from time to time; and,

WHEREAS, it has come to the attention of the County Council that State law authorizes counties to adopt by ordinance Section 4-9-145 of the of the South Carolina Code of Laws, 1976, as amended (the "Code"), entitled *Litter control officers; custodial arrest authority; number of officers; powers and duties*, and upon its successful adoption the County Council may appoint and commission as many County code enforcement officers, including, without exception, litter control officers in limited numbers, as may be necessary for the proper security, general welfare, and convenience of the County; and,

WHEREAS, due to the aforementioned, the County Council finds that there is a need to amend the Code of Ordinances to provide for the adoption of Section 4-9-145 of the Code to provide the County the ability to appoint and commission as many County code enforcement officers and litter control officers as may be necessary for the proper security, general welfare, and convenience of the County; and,

WHEREAS, it has also come to the attention of the County Council that State law authorizes counties to adopt by ordinance Section 56-7-80 of the Code, entitled *County or municipal uniform ordinance summons*, as part of such Chapter 20, and upon its successful adoption any County law enforcement or County commissioned code enforcement officer is authorized to use a uniform ordinance summons for the enforcement of County laws; and,

WHEREAS, due to the aforementioned, the County Council further finds that there is also a need to amend the Code of Ordinances to provide for the adoption of Section 56-7-80 of the Code to provide any County law enforcement or County commissioned code enforcement

officer the authority to use a uniform ordinance summons for the enforcement of County laws. An example of a uniform ordinance summons which may be used as a guideline for uniform ordinance summonses in the County is attached hereto as **Exhibit A**, and it is hereby incorporated by reference as fully as if set forth verbatim herein; and,

WHEREAS, due to the aforementioned, the County Council further finds that the appropriate place to codify the newly enacted provisions adopting Section 4-9-145 of the Code and Section 56-7-80 of the Code, is in the currently existing Chapter 20 of the Code of Ordinances, entitled *Offenses And Miscellaneous Provisions*; and,

WHEREAS, due to the foregoing, the County Council further finds, for simplicity and to clarify the guidelines, procedures, and laws set forth in the Code of Ordinances applicable to County government, there is a need to amend and rewrite the entirety of the currently existing Chapter 20 of the Code of Ordinances, and replace it with a rewritten and renamed Chapter 20 of the Code of Ordinances, to be entitled *Law Enforcement*, which will include the newly enacted provisions adopting Section 4-9-145 and Section 56-7-80 of the Code. A copy of the rewritten and renamed Chapter 20 of the Code of Ordinances is attached hereto as **Exhibit B**, and it is hereby incorporated by reference as fully as if set forth verbatim herein; and,

WHEREAS, based on the totality of the above findings of fact, the County Council hereby desires to amend the Code of Ordinances to: first (1) adopt Section 4-9-145 of the Code; second (2) adopt Section 56-7-80; and third (3) amend the currently existing Chapter 20 of the Code of Ordinances, to amend rewrite, and rename the entirety of the currently existing Chapter 20 of the Code of Ordinances, and replace it with the rewritten and renamed Chapter 20 of the Code of Ordinances, which will include the newly enacted provisions, adopting Section 4-9-145 of the Code and Section 56-7-80 of the Code:

NOW, THEREFORE, it is hereby ordained by the Oconee County Council, in meeting duly assembled, that:

1. It is the specific intent of the County Council to enact this Ordinance in accordance with, and empowered by, the Constitution and general laws of the State.
2. The statements of fact and policy from the preamble of this Ordinance are hereby adopted as findings of fact by the County Council, in their entirety, and they are hereby adopted by reference as part of the ordaining language of this Ordinance, as fully as if set forth verbatim herein.
3. The County hereby adopts Section 4-9-145 of the Code, entitled *Litter control officers; custodial arrest authority; number of officers; powers and duties*.
4. The County hereby adopts Section 56-7-80 of the Code, entitled *County or municipal uniform ordinance summons*. **Exhibit A** to this Ordinance is an example of a uniform ordinance summons which may be used as the guideline for uniform ordinance summonses in the County, and it is hereby incorporated by reference as fully as if set forth verbatim herein.

5. The entire content of the currently existing Chapter 20 of the Code of Ordinances, entitled *Offenses And Miscellaneous Provisions*, is hereby amended, rewritten, and replaced in its entirety with the rewritten and renamed Chapter 20 of the Code of Ordinances, now entitled *Law Enforcement*, which includes the newly enacted provisions adopting Section 4-9-145 of the Code, and Section 56-7-80 of the Code. A copy of the rewritten and renamed Chapter 20 of the Code of Ordinances is attached hereto as **Exhibit B**, and it is hereby incorporated by reference as fully as if set forth verbatim herein.
6. The County Administrator, upon the advice and recommendation of the County Attorney, is hereby authorized and directed to take any and all actions required of the County, or that he may deem desirable in his sole discretion, to give effect to the acts of the County Council as contemplated herein.
7. Should any part or provision of this Ordinance be deemed unconstitutional or unenforceable by any court of competent jurisdiction, such determination should not affect the rest and remainder of this Ordinance, all of which is hereby deemed separable.
8. All ordinances, orders, resolutions, and actions of the County Council inconsistent herewith are, to the extent of such inconsistency only, hereby repealed, revoked, and rescinded. However, nothing contained herein, or in **Exhibit A** or **Exhibit B** attached hereto, shall cancel, void, or revoke, or shall be interpreted as cancelling, voiding, or revoking in any regard any prior County acts, actions, or decisions of the County or the County Council, in any regard, except as explicitly and specifically stated herein.
9. All other terms, provisions, sections, and contents of the Code of Ordinances not specifically affected hereby shall remain in full force and effect.
10. This Ordinance shall take effect, and be in full force and effect, from and after the third reading and the public hearing and enactment by the County Council in accordance with the County Code.

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Ordained in meeting, duly assembled, this _____ day of _____, 2014.

ATTEST:

Elizabeth Hulse,
Clerk to Oconee County Council

Joel Thrift,
Chairman, Oconee County Council

First Reading: September 2, 2014
Second Reading: September 16, 2014
Public Hearing: October 7, 2014
Third Reading: October 7, 2014

EXHIBIT A

Page One of Three

UNIFORM ORDINANCE SUMMONS NO. _____

COUNTY/CITY OF _____ **VERSUS**

Last Name _____ **First Name** _____ **Middle Name** _____

Street Address _____ **City** _____ **State** _____ **Zip Code** _____

Birth Date _____ **Race** _____ **Sex** _____ **Ht.** _____ **Wt.** _____ **Hair** _____ **Eyes** _____

YOU ARE SUMMONED TO APPEAR BEFORE THE COURT

Magistrate A.M.
 Municipal Judge P.M.

Trial Date _____ **Trial Time** _____

Street Address _____ **Room** _____ **City** _____

Mailing Address (if different) _____ **City** _____ **SC** _____ **Zip Code** _____

FOR A TRIAL CONCERNING VIOLATION OF

County/City of _____

Ordinance Sec. No. _____ **Ordinance Description** _____

A.M.
P.M.

Citation Date _____ **Citation Time** _____ **Citation Location** _____

If different from citation date:

A.M.
P.M.

Violation Date _____ **Violation Time** _____ **Violation Location** _____

Issuing Officer _____ **Title/Rank** _____ **Bond Amount** \$ _____

NOTICE TO DEFENDANT

The Issuing Officer May Not Accept Bond.

You have the following options regarding the case against you.

- 1) You may post bond by delivering cash to the court address shown on this summons prior to the trial date.
- 2) You may post bond by mailing a postal money order, cashier's check, or certified check, to the court address shown on this summons. **DO NOT SEND CASH OR PERSONAL CHECKS THROUGH THE MAIL.** Checks or money orders should be made payable to: _____ . Be sure to enclose the summons number at the top of this summons and the arresting officer's name. It is your responsibility to ensure that any bond posted by mail is received by the court prior to your trial.
- 3) Posting a bond prior to the trial in no way affects your right to a trial on the charges made against you. You may have a trial by the judge at the assigned time or, if you make a written request prior to trial, by jury.

The court may impose a fine which is greater than or lesser than the amount of bond shown on the front of this summons. If you have posted bond prior to the assigned trial date and do not appear in court, your bond may be forfeited.

FAILURE TO APPEAR BEFORE THE COURT WITHOUT FIRST HAVING POSTED BOND OR WITHOUT HAVING BEEN GRANTED A CONTINUANCE BY THE COURT IS A MISDEMEANOR PUNISHABLE BY A FINE OR UP TO \$200.00 OR IMPRISONMENT FOR UP TO 30 DAYS.

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EXHIBIT A

Page Two of Three

UNIFORM ORDINANCE SUMMONS NO. _____			
COUNTY/CITY OF _____		VERSUS	
Last Name	First Name	Middle Name	
Street Address	City	State	Zip Code
Birth Date	Race	Sex	Ht. Wt. Hair Eyes
YOU ARE SUMMONED TO APPEAR BEFORE THE			
<input type="checkbox"/> Magistrate			A.M. <input type="checkbox"/>
<input type="checkbox"/> Municipal Judge			P.M. <input type="checkbox"/>
	Trial Date	Trial Time	
Street Address	Room	City	
Mailing Address (if different)		City	SC Zip Code
FOR A TRIAL CONCERNING VIOLATION OF			
County/City of _____			
Ordinance Sec. No.	Ordinance Description		
	A.M. <input type="checkbox"/>		
	P.M. <input type="checkbox"/>		
Citation Date	Citation Time	Citation Location	
If different from citation date:			
	A.M. <input type="checkbox"/>		
	P.M. <input type="checkbox"/>		
Violation Date	Violation Time	Violation Location	
Issuing Officer	Title/Rank	\$ Bond Amount	
\$	Bond Received	Date	Received by
Presiding Judge	Disposition Date		
Defendant	<input type="checkbox"/> Did Not	<input type="checkbox"/> Did Appear	
<input type="checkbox"/> Forfeited Bond	<input type="checkbox"/> Dismissed	<input type="checkbox"/> Nolle Prosequi	
<input type="checkbox"/> Pled Guilty	<input type="checkbox"/> Nolo Contendere		
<input type="checkbox"/> Bench Trial	<input type="checkbox"/> Jury Trial	<input type="checkbox"/> Guilty	<input type="checkbox"/> Not Guilty
\$	\$	\$	\$
Fine Imposed	Suspended	Assessments	Total Collected
Jail Term	Suspended	Committed to	
Certified Correct by _____		Date _____	
COURT COPY		<small>© Copyright, SCAC, 1/20/92 ALL RIGHTS RESERVED</small>	

EXHIBIT A

Page Three of Three

UNIFORM ORDINANCE SUMMONS NO. _____							
COUNTY/CITY OF _____				VERSUS			
Last Name		First Name		Middle Name			
Street Address		City		State		Zip Code	
Birth Date	Race	Sex	Ht.	Wt.	Hair	Eyes	
YOU ARE SUMMONED TO APPEAR BEFORE THE							
<input type="checkbox"/> Magistrate						A.M. <input type="checkbox"/>	
<input type="checkbox"/> Municipal Judge						P.M. <input type="checkbox"/>	
Trial Date - Trial Time							
Street Address		Room		City			
SC							
Mailing Address (if different)				City		Zip Code	
FOR A TRAIL CONCERNING VIOLATION OF							
County/City of _____							
Ordinance Ser. No.		Ordinance Description					
		P.M. <input type="checkbox"/>					
		P.M. <input type="checkbox"/>					
Citation Date		Citation Time		Citation Location			
If different from citation date:							
		A.M. <input type="checkbox"/>					
		P.M. <input type="checkbox"/>					
Violation Date		Violation Time		Violation Location			
Issuing Officer		Title/Role		Bond Amount			
\$ _____							
Bond Received		Date		Received by			
Presiding Judge				Disposing Date			
Defendant:		<input type="checkbox"/> Did Not		<input type="checkbox"/> Did Appear			
<input type="checkbox"/> Verified Bond		<input type="checkbox"/> Dismissed		<input type="checkbox"/> Nolle Prosequi			
<input type="checkbox"/> Pled Guilty		<input type="checkbox"/> Hold Custodian					
<input type="checkbox"/> Bench Trial		<input type="checkbox"/> Jury Trial		<input type="checkbox"/> Guilty		<input type="checkbox"/> Not Guilty	
\$ _____		\$ _____		\$ _____		\$ _____	
Fines Imposed		Suspended		Assessments		Total Collected	
Jail Term		Suspended		Committed to			
Certified Correct by: _____				Date _____			
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EXHIBIT B

Rewritten and renamed Chapter 20, entitled *Law Enforcement* of the Oconee County Code of Ordinances, adopted as of _____, 2014 by Ordinance 2014-20.

"Chapter 20 - LAW ENFORCEMENT"

ARTICLE I. OFFENSES AND MISCELLANEOUS PROVISIONS

Sec. 20-1. Worthless check unit.

- (a) It is agreed by and between the Solicitor of the 10th Judicial Circuit (the "solicitor") and Oconee County, South Carolina (the "county"), a body politic and corporate, and a political subdivision of the State of South Carolina, acting by and through the county governing body of the County ~~of Oconee~~, the Oconee County Council (the "county council"), and, for purposes of the execution and implementation of this ~~Agreement~~ Section, acting by and through the ~~Oconee~~ County Administrator (the "administrator"), that the solicitor ~~may~~ establish ~~an Oconee County~~ a Worthless Check Unit (the "unit"), in ~~Oconee~~ the County, for the purpose of processing worthless checks and to assist the victims of worthless check cases in the collection of restitution in the County ~~of Oconee~~. The establishment of this unit is pursuant to and in accordance with S.C. Code 1976, § 17-22-710, as amended ~~(the "code")~~.
- (b) The solicitor ~~may~~ establish and implement a fee schedule in accordance with the provisions contained in S.C. Code 1976, § 17-22-710.
- (c) The ~~amount of \$44.00, which is the~~ amount of allowable administrative costs contained in S.C. Code 1976, § 34-11-70(c) ~~of the Code, at any given time,~~ must be added to the ~~worthless check~~ unit fee, collected, and remitted monthly to the county treasurer for deposit in the county-general fund.
- (d) All fees, other than court costs and the allowable administrative costs addressed herein, shall be collected and transferred monthly to an account maintained by the ~~Oconee~~ County Treasurer, known as the worthless check fund, to be created, maintained, and drawn upon under and pursuant to S.C. Code 1976, § 17-22-710(B), which shall be applied first to defray the costs of operation of the ~~worthless check~~ unit and the balance to pay for the normal operating expenses of the solicitor's office.
- (e) ~~During the initial three years of operation, on all collected check cases, one-half~~ One-half of the administrative costs collected pursuant to subsection 34-11-70(c) and this ~~agreement~~ Section shall automatically be transferred by the ~~Oconee~~ County Treasurer from the county-general fund to the solicitor's worthless check fund, monthly, for the use of the solicitor in the establishment of the ~~worthless check~~ unit, as directed by the solicitor, in accordance with the law. The balance of the administrative costs will remain deposited with the county general fund.

- (f) All funds collected and deposited into the worthless check fund shall be applied first to defray the costs of operation of the ~~worthless check~~ unit. The solicitor may use the balance, if any, to pay the normal operating expenses of the solicitor's office.
- (g) The funds generated pursuant to S.C. Code 1976, § 17-22-710, and this ~~agreement~~ Section shall not be used to reduce the amount otherwise budgeted by the county to the solicitor's office.
- (h) Withdrawals from the worthless check fund shall be made only at the request of the solicitor.
- (i) The solicitor shall maintain an account for the purpose of collection and disbursement of restitution funds collected for the benefit of the victims of the worthless check crimes for which the money was collected. The ~~worthless check~~ unit shall disburse to the victim all restitution collected in connection with the original complaint filed.
- (j) If the victim cannot be located after a reasonable time, not to exceed one (1) year after completion or termination of the applicable case from the ~~worthless check~~ unit and upon diligent efforts to locate him, the restitution collected for the victim must be transferred to the general fund of the county. Any claims for restitution funds already transferred to the general fund of the county pursuant to this ~~subsection of this agreement~~ Section shall be the responsibility of the county and, if paid, shall be paid from the general fund of the county.

~~That this agreement shall take effect on the date that it is signed and shall be for the term of three years from that date. This agreement shall be automatically renewed each year thereafter, on the annual anniversary date of its original execution, except both parties reserve the right to cancel this agreement at any time upon 90 days written notice given to the other.~~

Sec. 20-2. Solicitation on highway right-of-way and medians.

(a) *Purpose of section.* The purpose of this section is to prevent danger to persons and property, to prevent delays, and to avoid interference with the traffic flow. Intersections that have center medians often are designed to deal with specific traffic flow problems. Any delay or distractions may interfere with traffic planning. Persons standing near intersections and near traffic lights to contact drivers or passengers in vehicles that are passing or that are temporarily stopped due to traffic lights, may interfere with such traffic planning.

(b) *Scope.* This section shall apply to all county, state and federal roadways located within the unincorporated areas of the county.

(c) *Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Center median means any area in the middle of any street, road or highway, designed to provide a barrier to keep traffic on one side of the street from going onto the other side of the street, in the unincorporated areas of the County. A center median may be a raised concrete strip or a grass strip.

Highway means any paved or gravel road that is maintained by any county, state or federal agency, in the unincorporated areas of the County.

(d) *Prohibited acts.*

- (1) No person shall stand or stay on any center median, for the purpose of soliciting contributions of any kind for an organization. No person shall stand or stay on the center median strip for the purpose of selling, offering for sale, or advertising any product, property, or service.
- (2) Center medians shall only be used by people on foot for one of the following purposes:
- a.) To deal with an emergency situation.
 - b.) A pedestrian crossing a street or highway may remain on the center median until it is safe to proceed.
 - c.) No person shall stand within the right-of-way on the side of any street, highway or road, in the unincorporated area of the County, for the purposes of soliciting contributions of any kind for an organization. No person shall stand on the right-of-way, at the side of any street, road, or highway, in the unincorporated area of the County, for the purpose of selling, offering to sell, or advertising any product, property or service.
- (e) ~~Penalty for violation of section. Any person violating any provisions of this section shall first be warned to cease and desist. After a warning, any person violating any provision of this section shall, upon conviction, be punished in accordance with section 1-7. Any person who is found guilty by a court of competent jurisdiction of violating the provisions of this Section shall be subject to the penalties set forth in Section 1-7 of the Oconee County Code of Ordinances, entitled *General penalty, continuing violations*, except where specific penalties are expressly authorized or required by the South Carolina Code of Laws, 1976, as amended.~~

Sec. 20-3. Signs on county and highway rights-of-way designating a crime watch area.

- (a) *Purpose.* The purpose of this section is to authorize the state department of transportation to erect, on county and highway rights-of-way outside and beyond the municipal city limits, signs designating a community as a crime watch area, pursuant to state statute.
- (b) *Authorization.* The county sheriff, upon request of the citizens of a rural community located within its boundaries, may designate an area as a "crime watch area," and, upon such designation, the chief administrative officer is authorized to coordinate and cooperate with personnel of the state department of transportation in erecting suitable signs denoting such area as a crime watch area within the policy and procedures of the state department of transportation.

Sec. 20-4. Drug paraphernalia – Prohibited acts, definitions, factors, exceptions, and penalties.

- (a) It shall be unlawful for any person to advertise for sale, manufacture, possess, sell, or deliver drug paraphernalia, in the unincorporated area of the County. The following terms, when used in this ~~article~~Section, shall have the meanings ascribed to it in this section, except where the context clearly indicates a different meaning:

Deliver or delivery shall mean the actual, constructive, or attempted transfer of a controlled drug or drug paraphernalia whether or not there exists an agency relationship.

Drug paraphernalia shall mean any instrument, device, article, or contrivance used, designed for use, or actually intended by the user(s) described herein, for using, ingesting, smoking, administering, or preparing marijuana, hashish, hashish oil, heroin, cocaine, crack, crank or any other illegal drug or illegal controlled substance.

or actually intended by the user(s) described herein, to facilitate as described above the unlawful use or abuse of lawful drugs or lawful controlled substances.

(h) Drug paraphernalia may include, but is not limited to:

- (1) Metal, wooden, acrylic, glass, stone, plastic or ceramic marijuana or hashish pipes with or without screens, permanent screens, hashish heads or punctured metal bowls;
- (2) Water pipes designated for use or intended for use with marijuana, hashish, hashish oil, cocaine, or other controlled substances;
- (3) Carburetion tubes and devices;
- (4) Smoking and carburetion masks;
- (5) Roach clips;
- (6) Separation gins designed for use or intended for use in cleaning marijuana;
- (7) Cocaine spoons and vials;
- (8) Chamber pipes;
- (9) Carburetor pipes;
- (10) Electric pipes;
- (11) Air-driven pipes;
- (12) Chilams;
- (13) Bongs;
- (14) Ice pipes or chillers;
- (15) Heroin spoons; or spoons used in the same manner for other controlled substances;
- (16) Pill presses and other mechanical devices used to convert controlled substances into a form which can be ingested;
- (17) Blotter paper, or any other material which is saturated with, or intended to be saturated with a controlled substance;
- (18) Scales, measuring spoons, measuring cups, or any pharmaceutical measuring device;
- (19) Crack pipes, or any device fashioned to be a crack pipe or for meth;
- (20) Any part of a hypodermic needle or syringe except as may be authorized by the laws of the State of South Carolina; and
- (21) Cigars hollowed out for use or intent of use with marijuana.

(c) ~~Sec. 20-5~~ Factors determining drug paraphernalia.

In determining whether an object is drug paraphernalia, a court of competent jurisdiction shall consider in addition to all other logically relevant factors, the following:

- (1) The statements by an owner or by anyone in control of the object concerning its use;
- (2) The proximity of the object to controlled substances;
- (3) The existence of any residue of controlled substances on the object;
- (4) Direct or circumstantial evidence of the intent of an owner, or of anyone in control of the object, to deliver it to persons whom he knows, or should reasonably know, intend to use the object to facilitate a violation of this article. The innocence of an owner or of anyone in control of the object, as to a direct violation of this article shall not prevent a finding that the object is intended for use or designed for use as drug paraphernalia;
- (5) Instructions, oral or written, provided with the object concerning its use;
- (6) Descriptive materials accompanying the object which explain or depict its use;

- (7) National or local advertising concerning its use;
- (8) The manner in which the object is displayed for sale;
- (9) Whether the owner, or anyone in control of the object, is a legitimate supplier of like or related items to the community, such as a licensed distributor or dealer of tobacco products;
- (10) Direct or circumstantial evidence of the ratio of sales of the object(s) to the total sales of the business enterprise; and
- (11) The existence and scope of legitimate use for the object in the community.

~~Sec. 20-6.~~

(g) Exceptions.

The provisions of this article shall not apply to the manufacture, sale, distribution or advertisement of any product or object designed and sold primarily for scientific research, industrial, veterinary, educational, or agricultural purpose, or for bona fide medical or clinical use.

~~Sec. 20-7.~~

(g) Penalty for violation.

Any person who is found guilty by a court of competent jurisdiction of violating the provisions of this ~~article~~-Section shall be subject to the penalties set forth in Section 1-7 of the Georgetown Code of Ordinances, entitled *General penalty; continuing violations; except where specific penalties are expressly authorized or required by the South Carolina Code of Laws, 1976, as amended.*

~~Secs. 20-8 – 20-100~~ Sec. 20-5 – 20-19. Reserved.

ARTICLE II. HOME DETENTION PROGRAM

~~Sec. 20-101~~ 20-20. Establishment.

(a) A home detention program is hereby established in ~~Georgetown~~-the County as an alternative ~~to~~ for the Georgetown Detention Center in accordance with the Home Detention Act of 1990 [S.C. Code ~~Section~~-1976, § 24-13-1510, *et. seq.* as amended]

(b) In accordance with S.C. Code 1976, § 24-13-1530, an electronic and non-electronic home detention program ~~may~~ be used by any court in the County having criminal or juvenile jurisdiction to sentence an individual to incarceration and whose sentences do not place them in the custody of the state department of corrections. The home detention program established by this Article will be an alternative for low-risk, non-violent adults and juvenile offenders who are selected by the court and who comply with the regulations and program guidelines adopted by the County in accordance with this Article. This program may also apply to pretrial or pre-adjudicatory detention, community corrections [diversion] and work release.

(c) The home detention program hereby established in the County shall comply with all applicable state and local laws and regulations, including but not limited to, S.C. Code 1976, § 24-13-1510, *et. seq.*, as amended, and minimum standards for local detention facilities in South Carolina. The County Sheriff, as the detention facility administrator, or his designee, shall establish guidelines.

policies, procedures, rules and regulations for the home detention program. The Sheriff or his designee shall be responsible for implementation and administration of the program.

Sec. 20-21 – 20-29. Reserved.

ARTICLE III. COUNTY COMMISSIONED OFFICERS

Sec. 20-30. County Commissioned Officers.

- (a) Except as provided in this Article, the County Council may appoint and commission by resolution, as many code enforcement officers as may be necessary for the proper security, general welfare, and convenience of the County. Such officers shall be vested with all the powers and duties inherent in the general police power of the County pursuant to S.C. Code 1976, § 4-9-25, as well as that conferred by law upon constables in addition to duties imposed upon them by the County Council. However, no code enforcement officer commissioned under this Article may exercise the power of custodial arrest with respect to his primary duties of enforcement of litter control laws and ordinances and other state and local laws and ordinances as may arise incidental to the enforcement of his primary duties, unless the officer has been certified as a law enforcement officer with the power of custodial arrest under South Carolina law. In the absence of an arrest for a violation of the litter control laws and ordinances, a code enforcement officer authorized to exercise the power of arrest pursuant to this Article may not stop a person or make an incidental arrest of a person for a violation of other state and local laws and ordinances.
- (b) The number of code enforcement officers vested with custodial arrest authority who are appointed and commissioned in accordance with this Article must not exceed the greater of:
- 1) The number of officers appointed and commissioned by the County on July 1, 2001;
 - or
 - 2) One officer for every twenty-five (25,000) persons in the County, based upon the 2000 census.
- (c) Code enforcement officers may exercise their powers on all private and public property located within the County.

Sec. 20-31. Qualifications.

All candidates shall meet the minimum qualifications of law enforcement officers as established by the statutory and decisional law of state of South Carolina.

Sec. 20-32. Effect of Authority.

Unless expressly provided by law and consented to by the Sheriff, this Article shall neither alter, change, encumber, nor otherwise affect the duties or authority of the Sheriff of the County, nor shall the Sheriff of the County have direct authority or control over the County commissioned officers.

ARTICLE IV. UNIFORM ORDINANCE SUMMONS ADOPTED

Sec. 20-33. Use Authorized.

The County Council hereby adopts by ordinance and authorizes the use of Uniform Ordinance Summonses as provided in this Article and by S.C. Code 1976, § 56-7-80, for the enforcement of all County ordinances. All County law enforcement officers and County commissioned officers and code enforcement officers are hereby authorized to use the uniform ordinance summons, as provided in this Article, and to prosecute offenses which each charges personally, by uniform ordinance summons, in the magistrates courts of the County.

Sec. 20-34. Office Designated For Printing, Distributing, Auditing.

The County regulatory compliance office is hereby designated as the responsible office, with the requisite authority and responsibility for printing, distributing, monitoring, and providing for the auditing of the uniform ordinance summonses to be used by County departments and offices. In fulfilling this obligation, the regulatory compliance office, headed by the regulatory compliance officer, will ensure that adequate summons forms are provided to and made available for other County departments needing such summons forms, including but not limited to the County building and codes department and the County animal control department.

Sec. 20-35. Restrictions On Use.

The County uniform ordinance summons may not be used to perform a custodial arrest. No County or other ordinance which regulates the use of motor vehicles on the public roads of the County may be enforced using the County uniform ordinance summons.

Sec. 20-36. Information Contained In Citations; Numbering.

- (a) The County uniform ordinance summons must cite only one violation per summons and must contain at least the following information:
- 1) The name and address of the person or entity charged;
 - 2) The name and title of the issuing officer;
 - 3) The time, date and location of the hearing authorized for the offense charged;
 - 4) A description of the ordinance, by number and/or name or title or description, the person or entity is charged with violating;
 - 5) The procedure to post bond; and
 - 6) Any other notice or warning otherwise required by law.
- (b) The uniform ordinance summonses must be consecutively and discretely numbered. The uniform ordinance summonses must be audited as part of the annual independent audit required by S.C. Code 1976, § 4-9-150, and a separate copy of each audit must be furnished to the County Administrator.
- (c) Exhibit A to this Article and to the County ordinance establishing this Article is an example of a uniform ordinance summons which complies with the foregoing and which may be used as the guideline for uniform ordinance summonses authorized by this Article. Compliance with this Article, however, is not limited to an exact duplication of Exhibit A, which is

provided for illustration and exemplar purposes only. Exhibit A is not printed herein but is on file and available in the County offices.

Sec. 20-37. Jurisdiction For Hearing.

Service of County uniform ordinance summons vests all County magistrates with jurisdiction to hear and dispose of the charge for which the uniform ordinance summons was issued and served.

Sec. 20-38. Personal Cognizance To Comply With Terms.

Any law enforcement officer or County commissioned officer or code enforcement officer who serves a County uniform ordinance summons must allow the person served to proceed without first having to post bond or to appear before a magistrate or municipal judge. Acceptance of a County uniform ordinance summons constitutes a person's recognizance to comply with the terms of the summons.

Sec. 20-39. Failure To Appear.

Any person who fails to appear before the court as required by an ordinance summons, without first having posted such bond as may be required or without having been granted a continuance by the court, is guilty of a misdemeanor and, upon conviction, must be fined not more than two hundred dollars (\$200) or imprisoned for not more than thirty (30) days. Any law enforcement agency processing an arrest made pursuant to this subsection must furnish such information to the State Law Enforcement Division as required by S.C. Code 1976, § 23-3-10, *et seq.*, as amended.

Sec. 20-40. Other Enforcement Means.

This Article does not prohibit the County from enforcing its ordinances by any other means otherwise authorized by law.

Sec. 20-41 - 20-101. Reserved.

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

COUNCIL MEETING DATE: October 7, 2014
COUNCIL MEETING TIME: 6:00 PM

ITEM TITLE [Brief Statement]:

Public Hearing and Third & Final Reading of Ordinance 2014-22 "AN ORDINANCE TO AMEND OCONEE COUNTY ORDINANCE 2014-01, THE BUDGET ORDINANCE FOR OCONEE COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1ST, 2014 AND ENDING JUNE 30TH, 2015, IN CERTAIN LIMITED REGARDS AND PARTICULARS, ONLY, SO AS TO INCLUDE A PROVISIO FOR DISBURSEMENT OF CERTAIN FLNDS, AND TO ADJUST THE REVENUE SIDE OF THE BUDGET TO REFLECT INCREASED REVENUE FROM TAX MILLAGE AND DECREASED TAX REVENUE FROM DELINQUENT TAX PENALTIES AND INTEREST, AND A RESULTING NET DECREASE IN THE USE OF FUND BALANCE TO BALANCE THE BUDGET; AND OTHER MATTERS RELATED THERETO"

BACKGROUND DESCRIPTION:

The County's General Fund is now estimated to receive \$31,247,987 in property taxes, which represents an increase of \$315,670 in Real Estate Property Taxes, and, a decrease in estimated revenues from delinquent tax Penalties and Fees of \$250,000 which were previously budgeted. The County's Total Property Taxes will therefore result in a net increase, based on the foregoing increase and decrease, in the General Fund of \$65,670, which will increase the County's General Fund, Unassigned Fund Balance by that amount, since that much less current fund balance will be required to balance the budget, because of the net increased revenues from tax millage.

SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:

The total net of all changes included in this ordinance will increase the County's General Fund, Unassigned Fund Balance by \$65,670 in accordance with the ordinance governing the County's Unassigned Fund Balance, because that much less current fund balance will be required to balance the budget. Nothing in this ordinance changes expenditures previously approved in the budget at all - only the source of revenues needed to fund those expenditures is being amended.

FINANCIAL IMPACT [Brief Statement]:

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by: _____ Finance

COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:

Are Matching Funds Available: Yes / No

If yes, who is matching and how much:

Approved by: _____ Grants

ATTACHMENTS

STAFF RECOMMENDATION [Brief Statement]:

It is the staff's recommendation that Council approve Ordinance 2014-22 on third and final reading.

Submitted or Prepared By:

Department Head/Elected Official

Approved for Submittal to Council:


T. Scott Moulder, County Administrator

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

**STATE OF SOUTH CAROLINA
COUNTY OF OCONEE
ORDINANCE 2014-22**

AN ORDINANCE TO AMEND OCONEE COUNTY ORDINANCE 2014-01, THE BUDGET ORDINANCE FOR OCONEE COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1ST, 2014 AND ENDING JUNE 30TH, 2015, IN CERTAIN LIMITED REGARDS AND PARTICULARS, ONLY, SO AS TO INCLUDE A PROVISIO FOR DISBURSEMENT OF CERTAIN FUNDS; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Oconee County, South Carolina (the “County”), a body politic and corporate and a political subdivision of the State of South Carolina (the “State”), acting by and through its duly elected County Council (the “County Council”), has heretofore adopted and enacted Oconee County Ordinance 2014-01(the “Budget Ordinance”); and

WHEREAS, Oconee County recognizes that the School District of Oconee County (the “School District”) does not have the authority to levy *ad valorem* real property taxes or to directly collect fees, late penalties and interest on fees and late penalties with regard to such taxes (“Fees, Penalties and Interest”), having to do so, by law, through the County; and

WHEREAS, Oconee County further recognizes that Fees, Penalties and Interest collected on behalf of the School District, based on taxes levied for school operations and debt should be allocated, as a matter of equity to the School District for use by the School District; and

WHEREAS, Oconee County further recognizes that, because, as the taxing and collection agent for the School District, it bears the expense of such collections, and should therefore be allowed to recoup such expense from the Fees, Penalties and Interest collected on behalf of the School District; and

WHEREAS, Oconee County, therefore, desires to allocate Fees, Penalties and Interest collected on behalf of School District, based on taxes levied on behalf of the School District for School District operations and debt, to the School District, while, at the same time, reimbursing itself for the costs and expenses of collecting such Fees, Penalties and Interest; and

WHEREAS, Oconee County further desires to request the Oconee County Treasurer to disburse any Fees, Penalties and Interest collected on behalf of the School District, based on School District taxes levied for operations and debt, to the Oconee County General Fund for disposition and disbursement by Oconee County, as stated above, through a specific proviso in the Oconee County Budget Ordinance; and

WHEREAS, the Budget Ordinance contains an attachment listing the Council-approved provisos to the Budget Ordinance and entitled “BUDGET PROVISOS FOR FISCAL YEAR 2014-2015, ORDINANCE 2014-01” (“Budget Provisos”); and

WHEREAS, Oconee County desires to amend the Budget Provisos to the Budget Ordinance to include a proviso (Section 18, currently) as specifically stated in Exhibit A, attached hereto and incorporated herein as if fully set forth:

NOW, THEREFORE, it is hereby ordained, by Oconee County Council, in meeting duly assembled that:

1. Oconee County, by and through the Oconee County Council, hereby requests the Oconee County Treasurer to disburse any past and future Fees, Penalties and Interest collected on behalf of the School District of Oconee County, based on taxes levied on behalf of the School District for School District operations and debt, to the Oconee County General Fund for disposition and disbursement by Oconee County through a specific proviso in the Oconee County Budget Ordinance.

2. The Budget Provisos to the Budget Ordinance are hereby amended by adding a new proviso (Section 18, currently) to the Budget Ordinance as set forth in Exhibit A.

3. All other parts, terms, and provisions of the Budget Ordinance, including all attachments thereto, not otherwise specifically amended, directly or by implication, by this Ordinance, remain in full force and effect.

4. Should any part or provision of this Ordinance be deemed unconstitutional or unenforceable by any court of competent jurisdiction, such determination shall not affect the rest and remainder of this Ordinance, all of which is hereby deemed separable.

5. All ordinances, orders, resolutions, and actions of Oconee County Council inconsistent herewith are, to the extent of such inconsistency only, hereby repealed, revoked, and rescinded.

6. This Ordinance shall take effect and be in full force and effect from and after third reading and enactment by Oconee County Council.

ORDAINED in meeting, duly assembled, this 7th day of October, 2014.

ATTEST:

Elizabeth Hulse,
Clerk to Oconee County Council

Joel Thrift,
Chairman, Oconee County Council

First Reading: September 2, 2014
Second Reading: September 16, 2014
Public Hearing: October 7, 2014
Third Reading: October 7, 2014

**EXHIBIT A
TO OCONEE COUNTY ORDINANCE 2014-22**

The new proviso Section 18 to be added to Attachment A (“Provisos”) of Oconee County Ordinance 2014-01, will read as follows:

Section 18. All funds collected as fees and penalties (including interest on the fees and penalties) for taxes levied and collected by Oconee County on behalf of the School District of Oconee County, for School District operations and debt, shall be granted and disbursed to the School District of Oconee County for the uses and purposes of the School District of Oconee County for which the underlying taxes were levied.

**EXHIBIT B
TO OCONEE COUNTY ORDINANCE 2014-22**

Oconee County, South Carolina
General Fund Summary
Ordinance 2014-22
2014-2015 Budget

Revenues and Other Financing Sources				
Description		FY 2015 Council Approved	Budget Amendment 2014-22	FY 2015 Budget As Revised
Property Taxes		31,182,317	66,670	31,247,987
Intergovernmental		3,528,177	-	3,528,177
Licenses, Permits and Fees		2,883,182	-	2,883,182
Fines and Forfeitures		333,500	-	333,500
Charges for Services		1,829,600	-	1,829,600
Interest and Investment Income		252,850	-	252,850
Miscellaneous and Other		201,816	-	201,816
Other Financing Sources		283,841	(66,670)	918,171
		41,195,283	-	41,195,283

Expenditures and Other Financing Uses				
Description		FY 2015 Council Approved	Budget Amendment 2014-22	FY 2015 Budget As Revised
General Government		10,589,898	-	10,589,898
Public Safety		16,465,636	-	16,465,636
Transportation		3,492,129	-	3,492,129
Public Works		3,566,255	-	3,566,255
Culture and Recreation		2,772,115	-	2,772,115
Judicial Services		2,762,627	-	2,762,627
Health and Welfare		521,847	-	521,847
Economic Development		512,051	-	512,051
Other Financing Uses		112,725	-	112,725
		41,195,283	-	41,195,283

Net Change in Fund Balance		0	-	0
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**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

**COUNCIL MEETING DATE: October 7, 2014
COUNCIL MEETING TIME: 6:00 PM**

ITEM TITLE [Brief Statement]:

First Reading [in public] of Ordinance 2014-23 "AN ORDINANCE TO AMEND OCONEE COUNTY ORDINANCE 2014-02, THE BUDGET ORDINANCE FOR THE SCHOOL DISTRICT OF OCONEE COUNTY (the "School District") FOR THE FISCAL YEAR BEGINNING JULY 1ST, 2014 AND ENDING JUNE 30TH, 2015, IN CERTAIN LIMITED REGARDS AND PARTICULARS, ONLY, SO AS TO REFLECT THE USE OF ADDITIONAL TAX REVENUE AND ADDITIONAL DELINQUENT TAX COLLECTIONS; INCLUDING PENALTIES AND INTEREST, AND DECREASE THE USE OF FUND BALANCE, ALL ON THE REVENUE SIDE OF THE BUDGET; AND OTHER MATTERS RELATED THERETO"

BACKGROUND DESCRIPTION:

The School District of Oconee County [SDOC] is increasing two revenue line items in the general fund school operations budget.

- Local tax revenue is estimated to be \$42,583,424; an increase in local tax revenue of \$577,000.
- Late penalties & fees for delinquent tax collections, to be used as revenue in the budget, are estimated to be \$250,000; no money was originally budgeted for this line item.
- The revenue increase in the budget, for both changes, totals \$827,000.

As a result of the two revenue increases in the budget, the SDOC fund balance required to balance the budget will therefore be, \$3,669,286; a reduction in fund balance usage of \$827,000.

SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:

This is a positive development for the School District of Oconee County, as the amount of fund balance required to balance the School Operations budget is being reduced by \$827,000. The School District of Oconee County is required to maintain a fund balance in accordance with SDOC policy and bond underwriter and rating service requirements, and this change in fund balance usage will help the School District of Oconee County sustain sufficient working capital to meet operational needs in the School Operations Fund, without tax anticipation notes, and will help the SDOC maintain preferred bond ratings.

Nothing in this ordinance will change previously approved expenditures (spending) by the SDOC – all the ordinance does is change the revenue sources to fund such expenditures, because of increased revenue from tax millage and increased revenue from delinquent tax collections, thereby allowing less use of SDOC fund balance to balance the budget.

FINANCIAL IMPACT [Brief Statement]:

X Check Here if Item Previously approved in the Budget. No additional information required.

Approved by: _____ Finance

COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:

Are Matching Funds Available: Yes? No

If yes, who is matching and how much:

Approved by: _____ Grants

ATTACHMENTS

Amended SDOC budget document

STAFF RECOMMENDATION [Brief Statement]:

It is the staff's recommendation that Council approve Ordinance 2014-23 on first reading, by caption only.

Submitted or Prepared By: _____

Approved for Submittal to Council: _____

Department Head/Elected Official

T. Scott Moulder, County Administrator

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

SCHOOL DISTRICT OF OCONEE COUNTY
 GENERAL FUND SUMMARY AS REVISED
 Ordinance 2014-23
 2014-2015 Budget

School Operations - Local Taxes			
Description	FY 2015 Council Approved	Budget Amendment 2014-23	FY 2015 Budget As Revised
Local tax revenue	42,006,424	577,000	42,583,424
Local Property Tax relief reimbursement	3,948,130		3,948,130
Homestead Exemption tax revenue	1,595,798		1,595,798
Property tax relief Tier 3	10,993,134		10,993,134
Merchants' inventory tax revenue	189,330		189,330
Manufacturers' depreciation reimbursement	405,383		405,383
Motor carrier fees	275,650		275,650
Late Penalties and Fees	-	250,000	250,000
Total from Local Taxes	59,393,849	827,000	60,220,849

Fund Balance Required to Balance Budget			
Description	FY 2015 Council Approved	Budget Amendment 2014-23	FY 2015 Budget As Revised
Fund Balance Required to Balance Budget	4,496,286	(827,000)	3,669,286
Total Fund Balance Required	4,496,286	(827,000)	3,669,286



SCHOOL DISTRICT OF OCONEE COUNTY

414 South Pine Street, Walhalla, South Carolina 29691
Phone: 864.886.4400 • Facsimile: 864.886.4408
www.oconee.k12.sc.us

September 22, 2014

Mr. Scott Moulder
Oconee County Administrator
415 South Pine Street
Walhalla, SC 29691

Dear Mr. Moulder:

On Monday, September 15, the school board voted to amend our budget request to county council. While this request reflects a change in the revenue, our spending plan remains unchanged. Our situation is very similar to yours with the county budget – the increased revenue simply lowers the amount that we were going to have to take out of reserves. The revised budget that our board approved is attached to this letter. The amendment changes our request from \$59,393,849 to \$60,220,849.

We appreciate your efforts in protecting both the county and school district budgets during this time of reduced state funding.

Sincerely,

Michael Thorstland, Ed.D.
Superintendent of Education

School District of Osceola County
General Fund Revised Budget Request for FY 2014-2015

		Fiscal FY 2014 Budget	Revised FY 2015 Budget Request	Increase/ Decrease
1	Local facilities tax	42,000,434	42,531,474	531,040
2	Local property tax incl. reimbursement	3,948,130	3,948,130	-
3	Manufactured structures tax surtax	1,665,794	1,595,738	(70,056)
4	Property tax relief (Task 3)	10,127,642	10,594,124	466,482
5	Manufactured structure tax increase	64,137	144,137	80,000
6	Manufactured structure tax reimbursement	401,544	401,544	-
7	Water/sewer fees	275,650	275,650	-
8	Late Payment and Fees	-	250,000	250,000
9	Total Free Local Taxes	59,128,595	60,220,149	1,091,554
10	Intentional misstatements	50,000	50,000	-
11	Rental fees	10,000	10,000	-
12	Refunds	50,000	50,000	-
13	Tuition Grants (as of 6/30/14)	7,000	7,000	-
14	Other Miscellaneous	-	-	-
15	Total Non-Tax Local Revenues	67,000	67,000	-
16	School facilities bond	512,651	512,651	-
17	Bus drivers' workers compensation	54,050	54,050	-
18	Fringe benefits	6,273,943	6,251,841	(22,102)
19	Workforce costs	2,429,500	2,429,320	(180)
20	Other state revenue	-	-	-
21	Building maintenance	256,283	251,098	(5,185)
22	Preschool program cost	2,798,662	2,642,276	(156,386)
23	Elementary program cost	3,300,774	3,301,746	972
24	High school program cost	1,263,545	987,135	(276,410)
25	Technical education program cost	20,700	27,601	6,901
26	Special needs program cost	1,054,965	1,041,048	(13,917)
27	Homebound program cost	50,161	25,131	(25,030)
28	Open-enrollment program cost	103,665	116,145	12,480
29	Exchange minority homebased program cost	56,413	57,371	958
30	Learning disabled program cost	1,071,157	1,074,000	2,843
31	Hearing impaired program cost	75,531	71,947	(3,584)
32	Visually impaired program cost	25,590	23,695	(1,895)
33	Orthopedically handicapped program cost	56,783	43,615	(13,168)
34	Vocational program cost	2,325,774	2,491,681	165,907
35	Adult care program cost	242,131	230,935	(11,196)
36	Gifted & Talented Education Plan	-	298,181	298,181
37	Academic Assistance	-	277,148	277,148
38	Adult Education	-	37,415	37,415
39	United English Proficiency	-	165,746	165,746
40	Recruitment Incentive	-	1,569,142	1,569,142
41	Total State Revenues	21,509,434	24,286,386	2,776,952
42	Total Revenues	80,778,029	84,506,535	3,728,506
43	Transfer from FTE	1,316,131	1,466,125	150,000
44	Transfer from Special Revenue	7,091,846	6,819,505	(272,341)
45	Transfer from Special Revenue (County Match)	200,000	200,000	-
46	Interest/Grant Transfer Revenue	132,750	132,750	-
47	Transfers In	8,740,727	8,618,425	(122,302)
48	Total Other Financing Sources	8,740,727	8,496,425	(244,302)
49	Total Revenues and Transfers from All Sources	89,518,756	93,002,960	3,484,204
50	Estimated Expenditures (page 2)	89,561,916	93,099,832	3,537,916
51	Fund Balance Required to Balance Budget - \$	(1,810,150) ↓	(2,096,872) ↓	2,866,722

STATE OF SOUTH CAROLINA
OCONEE COUNTY
ORDINANCE 2014-24

AN ORDINANCE AUTHORIZING AND DIRECTING THE PROVISION OF COUNTY-FUNDED LEGAL REPRESENTATION, DEFENSE, AND LIMITED INDEMNIFICATION FOR OCONEE COUNTY EMPLOYEES IN CERTAIN LIMITED CIRCUMSTANCES INVOLVING THE DIRECTION AND PERFORMANCE OF OFFICIAL DUTIES; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Oconee County, South Carolina (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), acting by and through its governing body, the Oconee County Council (the "County Council"), is served by many loyal and dedicated elected officials and employees (collectively, the "Employees"), who diligently carry out the official functions of the County, as established in State law, on a daily basis; and

WHEREAS, in order to ensure that all elected officials and employees of all counties in the State are able to carry out such assigned official duties in a responsible manner, free of fear from personal attack or loss because of and while acting in the scope of their official duties, federal law and South Carolina law both provide extensive protections for such employees, including making such attacks and loss generally subject to sovereign immunity, and generally prohibiting lawsuits attempting to create such loss except when the employee is acting outside of the scope of their official duties; and

WHEREAS, because published threats have recently been made against certain County employees and elected officials, threatening to sue them for financially crippling damages by means and language which would skirt or obviate the protections afforded to such Employees by state and federal law, thereby making such a possibility not merely theoretical, but a threatened reality; and

WHEREAS, a potential gap exists in the statutory protection of County Employees from litigation intended to harm them personally for discharging the official duties of the County, in that defense of such threatened litigation by County Employees, even to the extent necessary to have such litigation dismissed or converted to suit against the County, as prescribed by state law, could nevertheless result in catastrophic financial burden to such Employees; and

WHEREAS, no Employee should ever be intentionally threatened by or exposed to any financial loss, much less intentionally catastrophic financial loss, merely for doing that which is required and mandated by state law, such as, without limitation, the uniform and consistent lawful collection of owed taxes, and because the threat of such loss would be harmful to the official discharge of public duties in any political subdivision, and even chill the willingness to

serve in public office by creating fear of personal damage or loss for simply doing one's duties; and

WHEREAS, because Oconee County recognizes the need to prevent use of threats of potential litigation as coercion or intimidation to deter or chill such discharge of official duties, Oconee County desires to ensure that all County Employees, engaged in the direction or performance of official duties for and on behalf of Oconee County, know that they are protected from such liability or harm, unless and until they lose their immunity and protection from such litigation in accordance with South Carolina law, including, without limitation, §15-78-70, South Carolina Code, 1976, as amended, and so Oconee County Council hereby authorizes and directs the provision of County funded legal representation, defense, and limited indemnification (limited to the extent of actual legal costs incurred by and valid judgments rendered against any County Employee except for conduct outside the scope of his official duties or which constitutes actual fraud, actual malice, intent to harm, or a crime involving moral turpitude) for such Employees, to address costs and risks prior to statutory protection dismissing such litigation, all of which is consistent with defense of other Employees sued for the direction and discharge of their official duties throughout the State.

NOW, THEREFORE, IT IS HEREBY ORDAINED by Oconee County Council, in meeting duly assembled, that:

1. The foregoing preamble, and all statements contained therein, are hereby adopted as findings of fact by Oconee County Council, for purposes of this Ordinance.

2. To the extent that the South Carolina Insurance Reserve Fund or other County carrier fails to provide full coverage of defense, possible judgment, or other related expenses for the defense of any County Employee named as a defendant in litigation related to the direction and performance of official duties (those prescribed by federal or state law, or traditionally and historically carried out by County Employees on behalf of the public of Oconee County), Oconee County shall provide for legal defense of such Employees, with counsel reasonably acceptable to such Employees, and will cover possible judgment or other related expenses related to such representation and defense, unless and until a determination is made by a court of competent jurisdiction that such Employee was acting outside the scope of his or her official duties or engaged in conduct which constitutes actual fraud, actual malice, intent to harm, or a crime involving moral turpitude, all as prescribed by state law, it being the policy of Oconee County to protect County Employees from personal financial damage as a result of directing or performing official duties on behalf of the County, except as otherwise proscribed by state law.

3. Expenses for the representation, defense, and indemnification of County Employees, as prescribed in the foregoing paragraph, shall be paid from general or special reserve funds of the County, or if applicable, from a special insurance policy carried by the County for such purpose.

4. Because the coverage and payment policy prescribed herein is specific to job responsibilities of County Employees, such expenses will be paid by the County as first payment, prior to any personal liability insurance coverage carried by the Employee in question.

5. Any request from a County Employee for use of the coverage prescribed herein will be reviewed and subject to approval by a committee composed of the County Attorney, the Chief Financial Officer of the County, and the Risk Manager of the County, each having an equal vote. A decision by the committee to decline to provide coverage for a County Employee, as prescribed herein, may be appealed to the County Administrator.

6. If the representation and defense policy prescribed herein is approved after public hearing and third and final reading of this Ordinance, such policy will be effective immediately, and will date back to the date of first reading of this Ordinance.

7. Should any part or provision of this Ordinance be deemed unconstitutional or unenforceable by any court of competent jurisdiction, such determination shall not affect the rest and remainder of this Ordinance, all of which is hereby deemed separable.

8. All ordinances, orders, resolutions, and actions of Oconee County Council inconsistent herewith are, to the extent of such inconsistency only, hereby repealed, revoked, and rescinded.

9. This Ordinance shall take effect and be in full force and effect, as of the date of first reading, from and after third reading and enactment by Oconee County Council.

ORDAINED in meeting, duly assembled, this ____ day of _____, 2014.

ATTEST:

Elizabeth Hulse,
Clerk to Oconee County Council

Joel Thrift,
Chairman, Oconee County Council

First Reading: October 7, 2014
Second Reading:
Public Hearing:
Third Reading:

STATE OF SOUTH CAROLINA
OCONEE COUNTY
RESOLUTION R2014-15

**A RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN REAL
PROPERTY IN OCONEE COUNTY, SOUTH CAROLINA, BY OCONEE
COUNTY**

WHEREAS, Oconee County, South Carolina (the “County”), a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through its governing body, the Oconee County Council, is in the process of constructing a new County fire sub-station in the Cheohee Valley area of Oconee County (the “Project”); and

WHEREAS, funding for the Project, including the purchase of real property for the Project, has been allocated in the 2014-2015 Budget; and

WHEREAS, an opportunity has arisen to purchase for the Project a portion of TMS # 052-00-01-018 consisting of ±1.011 acres located on Cherokee Lake Road, as more fully described and shown on the survey attached as Exhibit A and incorporated herein by this reference (the “Real Property”); and

WHEREAS, the Oconee County Administrator, with the knowledge and authorization of Oconee County Council, has negotiated a purchase price for the Real Property with the owner thereof (the “Purchase Price”); and

WHEREAS, for the foregoing reasons, Oconee County Council desires to purchase the real property for the benefit of the Project, the citizens of the County, and other uses of the County:

NOW, THEREFORE, it is hereby resolved by Oconee County Council, in meeting duly assembled, that:

1. The Oconee County Administrator is hereby authorized to complete the purchase of the Real Property, in fee simple, absolute, with good and marketable title from its lawful owner, believed to be Mary Lavinia Powell, Christine Brown and Thomas H. Brown, for the agreed upon Purchase Price of \$5,000.00, plus the usual ordinary and reasonable closing costs customary to such a transaction and to undertake such other lawful actions, consistent herewith, as may be necessary and appropriate to obtain good and marketable title to the Real Property for the County.

2. Should any portion of this Resolution be deemed unconstitutional or otherwise enforceable by any court of competent jurisdiction, such determination should not affect the remaining terms and provisions of this Resolution, all of which are hereby deemed separable.

3. All orders, resolutions and enactments of Oconee County Council inconsistent herewith are to the extent of such inconsistency only, hereby repealed, revoked and rescinded.

4. This Resolution shall take effect and be in full force and effect after enactment by Oconee County Council.

APPROVED AND ADOPTED this 7th day of October, 2014.

OCONEE COUNTY, SOUTH CAROLINA

By: _____
Joel Thrift, Chairman of County Council,
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth G. Hulse, Clerk to County Council
Oconee County, South Carolina

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

COUNCIL MEETING DATE: October 7, 2014
COUNCIL MEETING TIME: 6:00 PM

ITEM TITLE:

Approve Applying for a Library Services and Technology Act Competitive grant administered by the South Carolina State Library

BACKGROUND DESCRIPTION:

Funding for Science Saturdays and Summer Science Camp at the Oconee County Public Library

SPECIAL CONSIDERATIONS OR CONCERNS:

Grant award is \$17,100.00 rather than \$18,000.00, due to a reduction in the budget for camp t-shirts from \$1,000 to \$100.

FINANCIAL IMPACT:

Part of the grant funds will be paid to Clemson University personnel and/or South Carolina certified teachers, under contract for the summer science camp, as professional fees

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by : **Finance**

COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:

Are Matching Funds Available: Yes / No

If yes, who is matching and how much: The Library is using an in-kind match of the Youth Services Librarian's salary and benefits plus a portion of the library's existing budget for library materials to achieve the required 34% match.

Approved by : **Grants**

ATTACHMENTS:

Grant Application to the South Carolina State Library

STAFF RECOMMENDATION [Brief Statement]:

It is the staff's recommendation that Council approve the application for the SC State Library Grant as presented.

Submitted or Prepared By:

Philip Cheney, Library Director
Department Head/Elected Official

Approved for Submittal to Council:


T. Scott Moulder, County Administrator

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

**LIBRARY SERVICES AND TECHNOLOGY ACT (LSTA)
SUB-GRANT APPLICATION – LARGE COMPETITIVE PROJECTS**

Grant Period: October 1, 2014 through September 30, 2015

SOUTH CAROLINA STATE LIBRARY

P.L. 108-81, AS AMENDED LS-00-14-0041-14 CFDA No. 45.310

Instructions:

1. Complete this MS Word application by typing into it. Use additional pages as needed.
2. Submit to the State Library as a Word document or a PDF file attached to an E-mail. Send to: ksheppard@statelibrary.sc.gov
3. Do not FAX your application. If you have questions about submitting your application, call the LSTA Coordinator, (803) 734-8653.
4. If including the optional "Project Partner Statement", send as an E-mail attachment with your application, or mail separately.
5. Deadline for receipt of application at the State Library: 5:00 p.m. Friday, June 6, 2014.

1. a. Applicant information

Name of library: Oconee County Public Library

Web address: www.oconee.lib.sc.us

Mailing address: 501 W. South Broad Street, Walhalla, SC 29691

Name of Library Director: Philip Cheney

Director's telephone: 864-638-4136

Fax: 864-638-4132

Email: pcheney@oconeesc.com

Name of Project Manager (contact for grant activities and responsible for submitting narrative reports): Stacie Powell

Telephone: 864-638-4133

Fax: 864-638-4132

Email: spowell@oconeesc.com

Name of fiscal agent responsible for submitting financial reports, if different from Project Manager or Library Director:

Telephone:

Fax:

Email:

1.b. Federal congressional district(s): District 3

1.c. Library Director's endorsement:

I have read this LSTA grant application, I understand the requirements for expenditure of Federal funds, and I endorse this project for my community.

Library Director signature: _____

Section 2. Project Information

- 2.a. Title of project: Science Saturdays and "STEAM Driven" Summer Science Camp
- 2.b. Estimated number of persons to be served by the project: 6,145 pre-K – 5th Grade students in Oconee County and 15 to 20 middle school age children.
- 2.c. Source of this number (U.S. Census, library circulation data, etc.): US Census
- 2.d. Federal (LSTA) funds requested: \$18,000.00
- 2.e. Total cost of project: \$
- 2.f. Primary audience (target group) for the project (select at least one, maximum of three):
- | | | | |
|-------------------------------------|--|--------------------------|------------------------------|
| <input checked="" type="checkbox"/> | Pre-schoolers (0-5) | <input type="checkbox"/> | Library staff |
| <input checked="" type="checkbox"/> | Children (6-11) | <input type="checkbox"/> | Rural populations |
| <input checked="" type="checkbox"/> | Teens (12-18) | <input type="checkbox"/> | Urban populations |
| <input type="checkbox"/> | Adults (over 18) | <input type="checkbox"/> | Institutionalized persons |
| <input type="checkbox"/> | Seniors | <input type="checkbox"/> | Persons with limited English |
| <input type="checkbox"/> | People with disabilities / special needs | <input type="checkbox"/> | Statewide public |
| <input type="checkbox"/> | Other (describe): | | |

Section 3. Project Purposes and Goals

3.a. Select ONE Federal LSTA purpose that best describes what you hope to achieve with your project:

- 1. Expand services for learning and access to information and educational resources in any of a variety of formats, in any type of libraries, for individuals of any age.
- 2. Develop library services that provide users with access to information through electronic networks.
- 3. Provide electronic and other linkages among and between libraries.
- 4. Develop partnerships with other agencies and community-based organizations.
- 5. Target library services to individuals of diverse geographic, cultural, and socio-economic backgrounds, with disabilities, and/or with limited functional literacy or information skills.
- 6. Target library and information services to persons having difficulty using a library and/or to underserved urban and rural communities, including children from families with incomes below the poverty line.

3.b. Select primary State goal that best describes what you hope to achieve with the project:

- 1. Information and library services are expanded and are made more accessible, taking advantage of collaborative and partnering opportunities whenever possible, and are aligned with documented needs of South Carolinians.
- 2. Recruitment and training of library staff are improved to increase leadership and skills needed to better serve the public.
- 3. Libraries play a larger role in children's lives, particularly children at risk, and especially in regard to reading and family literacy.
- 4. Access to quality library services is enhanced for people who have difficulty using a library.
- 5. Library services are improved, through collaborative and partnering efforts whenever possible, for people of diverse geographic, cultural, and socioeconomic backgrounds, for people with disabilities, and for people with limited functional literacy.
- 6. The technological environment of libraries, including linkages between libraries, is improved to enhance access to information and services.
- 7. All people in South Carolina have access to information through electronic resource sharing.

3.c. Project Summary

Write a succinct one-paragraph summary of your project (limit 100 words), stating your overall objectives for the target audience and describing the changes you hope to make with your project. *This summary will be used in future reports and PR about your project, if funded.*

This is a multifaceted initiative to bring enrichment to children during non-regular school hours for the purposes of contextual learning focusing on Science, Technology, Engineering, Art and Math (STEAM). Phase one will be monthly "Science Saturdays" taking place on a rotational basis at all OCPL branches. The purpose of "Science Saturdays" is to engage children at a young age (4 to 11 years old) with hands-on activities focusing on scientific principles and to promote library resources correlated to STEAM topics. Each month a STEAM related activity will be chosen that will address curriculum standards for ages 4 to 11. Phase two is a summer enrichment camp called "STEAM Driven" that will target 15 to 20 rising seventh grade middle school students who are recommended by teachers to attend the camp. Working in teams, students will engage in a STEAM related project of their choice based on relevant, real-world content with the goal of synthesizing information and presenting their report to the group at the end of the camp. Both programs will utilize South Carolina certified science and math teachers and will adhere to South Carolina science and math standards.

Section 4. Community Needs and Evaluative Measures

Note: There is no word limit for Sections 4 or 5; use as many pages as needed.

4.a. Describe your project's target audience in terms of age, race/ethnicity, employment status, educational level, economic condition, geographic location, etc. as relevant to your project.

We will target children ages 4 to 11 in Oconee County of all race/ethnicities and socio-economic backgrounds for the Science Saturdays. The "STEAM Driven" camp attendees will be rising seventh graders that are recommended by teachers and/or school administration to attend the camp. The main criteria for attending the camp will be one *or* both of the following 1) an expressed interest in one *or* all of the STEAM subject areas and/or 2) low test scores in one *or* all of the STEAM subject areas. All attendees of the camp will have to commit to attending the full two-weeks and must have the ability to have transportation to and from the camp. Each day the camp will begin and end at the Walhalla Library. The camp will last four hours each day.

4.b. Describe the need or problem existing in the target population that generated the idea for this project.

There is overwhelming evidence from viable sources, be it the National Science Foundation or the Department of Education that reports the United States is failing to meet the STEAM education needs of the 21st century and thusly, our students are falling behind students in other developed countries. However, it's not just a national epidemic; it's also a local one as well. According to the *2014 Report to the People* administered by the School District of Oconee County (www.oconee.k12.sc.us), Oconee School District children in grades Kindergarten, Second, Fourth, and Sixth, fall behind the national average in Math. Graduating Oconee County seniors who take the SAT also fall below the United States mean on SAT math scores. Many schools in Oconee County have a higher percentage of students performing below basic on Math and Science in the NAEP achievement level assessment. The National Science Foundation states that almost 30 percent of students in their first year of college are forced to take remedial science and math classes because they are not prepared to take college-level courses, or arrive at the workplace without the mathematical, scientific, and technical skills that employers require (*National STEAM Action Plan*, National Science Board). While the School District of Oconee County is making strides to improve STEAM education, the modern public library, with our abundance of technology resources and staff trained in inquiry, can be used as holistic tools to further student interest and engagement in STEAM subjects. Another common problem with STEAM studies in the traditional school environment is that students do not always obtain mastery of key concepts at the elementary and middle school levels, thus limiting academic success at the high school level. Through the library's STEAM programs proposed in this grant we can provide an opportunity outside the walls of the traditional classroom where students can participate in a more hands-on and real-world experience with STEAM related principles. We can also garner the support of area businesses and industries to help us educate children on the skills necessary to perform highly-sought after STEAM jobs in the 21st century.

4.c. How did you determine the need or problem exists? Explain in detail.

Data revealed in diagnostic testing by the School District of Oconee County, professional library publications, and reports from the National Science Foundation. Community stake holders have reached out to the library for additional support in these areas.

4.d. What benefits will your project provide to the target group? Below, list the specific changes that your project will make in the skills, attitudes, behaviors, and/or quality of life, of individuals and/or of the entire group receiving services.

By partnering with the local schools, the Creative Inquiry Institute at Clemson University and the DNA Learning Center, and area businesses our aim is to develop critical thinking skills, cooperative learning skills, and produce a life-long interest in STEAM as early as possible in the lives of children. The second initiative ("STEAM Driven" summer camp) is also aimed at helping middle-school aged children who may already be under-achieving at math and science develop a love for STEAM through a project-based learning environment.

Anticipated changes in attitude and/or behavior: **Develop new positive attitudes regarding STEAM learning and inspire interest in a variety of science, technology, engineering, art and math subjects and careers.**

Anticipated changes in skills: **The proposed program will develop all of the following skills: problem-solving, analysis, synthesis, critical thinking, recognition, recall, presentation, and cooperative learning.**

Anticipated changes in quality of life: **Improvement in each student's educational performance and develop an interest in highly lucrative career opportunities related to STEAM.**

4.e. Evaluative measures: Describe at least two methods by which you will try to prove that these intended benefits did or will take place (i.e. through use of a survey, by independent review, by test scores, etc.) The handout on project evaluation included with this application contains suggestions for evaluation of project outcomes.

We will administer a survey to parents and teachers at the culmination of the 2014-2015 and 2015-2016 school years to see whether the students who participated showed an increase or not on test scores and whether the students showed an increase in interest in STEAM related subject areas at school. We will assess the publically released PASS test scores of students in the School District of Oconee County in the year following the science camp to see whether science and math scores improved overall. Clemson University has expressed *interest* in tracking whether students who participated in the STEAM Driven camp go on to attend Clemson University following high school graduation and major in a STEAM related field at the university – the details of this is in the process of being worked out. If the camp becomes a permanent feature of the library and the School District of Oconee County, Dr. Corbin feels Clemson will more than likely partner if they have the ability to track such data.

Section 5. Project Activities

In Sections 5.a. through 5.e., please use bullet points and keep your statements short. Use sample Section 5 for your model.

5.a. What activities will take place to realize your goals and objectives?

- **Monthly Science Saturdays**
- **Two-week summer STEAM camp in the summer of 2015**

5.b. What resources (materials, equipment, personnel, project site, mode of transportation, speaker or presenter, partnership organizations, or other resources) will be used?

- **STEAM related supplies such as microscopes, measuring instruments, centrifuge, kits, aprons, goggles, etc.**
- **Bus transportation either via a charter or School District bus.**
- **Speakers from various STEAM related fields in the area.**
- **Field trips to local university and technical schools.**
- **Personnel – the camp will be led by School District of Oconee County teachers, library staff, Dr. Victoria Corbin, Associate Professor of Biology at Clemson University who specializes in K-12 STEM outreach. We will utilize unpaid volunteers for Science Saturdays but supplements will be paid to School District teachers who assist with the “STEAM Driven” Science Camp and fees will be paid to utilize Clemson University’s science labs under Dr. Corbin’s leadership.**

5.c. List the project outputs in quantitative terms (i.e., numbers of programs or services to be offered, collections to be made available, quantity of items to be printed, numbers of workshops, anticipated number of workshop attendees, etc.)

- **Twelve Science Saturdays – goal of at least 25 participants per event.**
- **One “STEAM DRIVEN” summer camp (two weeks) – 20 participants max.**
- **Develop a larger STEAM core collection of print and digital materials to the library’s collection.**
- **Promotional advertising for the programs – 500 flyers.**

5.d. How will you make the target group aware of your project and encourage participation?

- **Promote Science Saturdays to the School District of Oconee County, local homeschool association, and private schools via in-person visits and print and digital advertising.**

5.e. Partner agency or organization (optional): Will you work with another agency to achieve your objective? Name the partner and reason for the partnership. Attach the “Project Partner Statement” to your application, and follow directions on the Statement regarding a letter of commitment from the partnering agency.

- **We will partner with the School District of Oconee County**

- **We will partner with Clemson University's Creative Inquiry Institute and their South Carolina DNA Learning Center under the direction of Dr. Victoria Corbin.**

5.f. Sustainability: Describe how project activities will continue and be funded after the LSTA award ends. If activities will not or are not intended to continue, or will continue in another form, please explain.

- **We have already started a scaled-down version of Science Saturdays and they have proven to be successful with volunteer help. We will definitely continue them for as long as there is an interest and a need in the community. If we are awarded funding the supplies we will be able to purchase for experiments at Science Saturdays will greatly help us to continue to offer hands-on, exciting and challenging curriculum each month.**
- **Our desire is to partner with the School District of Oconee County and Clemson University to continue the two-week "STEAM DRIVEN" camp each year. We will continue to seek other resources and grants to help keep the camps going.**

5.g. Scalability: In case you are offered a reduced level of funding, describe how you might scale down your activities, purchases, and/or size of your target group, while retaining your overall project objectives and the intended benefits. If you cannot conduct the project at a lower level of funding, please explain.

- **The Science Saturdays can be scaled-down according to budget restrictions. However, the more technology and equipment we have available for children to utilize the better the programs will be.**
- **The major funding for the summer camps will cover things such as supplements for camp teachers, transportation and supervision of participating students. If funding is reduced we would have to scale back the camp to less student participants or to perhaps a one or two day event instead of an in-depth two week camp.**

5.h. Describe in general terms your agency's qualifications and capacity for conducting this project. Comment on staff expertise or abilities, previous experience or projects that might serve as a foundation for this project, complementary nature of other library services and projects, special interest in investigating new service areas, other considerations that show your library's capacity to make this a successful project.

- **The Oconee County Public Library has been awarded two previous large LSTA grants that have been managed successfully. The manager of this grant has extensive experience with administering LSTA grants. A grant she co-wrote in 2011-2012 for Hispanic outreach proved highly effective and the library is still reaping benefits from it. In addition, the project manager of this proposed grant has a strong desire to provide an entirely new and experimental service to our youth in Oconee County that will not only help enhance the quality of educational services the library offers our students but also engage the community and attract new partners with the library. The Oconee County Public Library currently lacks a foundation of community**

stake holders with a vested interest in the library and the services we offer. We need our 21st century businesses to recognize the value of public libraries in assisting our youth in being ready for real-world STEAM jobs. Reaching out to local schools, businesses and industries through this grant will help build community relationships with the library that will in turn, promote our value but also allow us to give back to the community through programs like the ones sought in this grant.

Section 6. CIPA Compliance

CIPA is the Children's Internet Protection Act, which applies to public libraries seeking funds under the federal Universal Service (E-rate) program or the Library Services and Technology Act (LSTA) grant programs funded by the Institute of Museum and Library Services (IMLS) and administered by the South Carolina State Library. If a public library is already compliant with CIPA under the rules for receiving E-rate funds, that library does not need to further certify compliance with CIPA. .

The applicant library (check all that apply):

- is currently compliant with CIPA because it receives funds through the federal Universal Service (E-rate) program
- is NOT compliant with CIPA in that it does NOT receive funds through the federal Universal Service (E-rate) program, or is not compliant for any other reason
- is requesting LSTA funds for the purchase of computers used to access the Internet and/or the payment of direct costs associated with accessing the Internet
- is NOT requesting LSTA funds for the purchase of computers used to access the Internet or for the payment of direct costs associated with accessing the Internet

Libraries that check BOTH the "NOT compliant" statement AND the "is requesting" statement must contact the State Library to discuss eligibility.

Ask for teachers to recommend attendees for "STEAM Driven" camp.	Late September 2014	Stacie Powell, Youth Services Librarian
Send home letters to teacher recommended students for the "STEAM Driven" camp.	November 2014	Teachers at Middle School
Registration deadline for Summer STEAM Experience Camp	March 2015	Stacie Powell, Youth Services Librarian
EVALUATION ACTIVITIES	DATE(S)	STAFF NAME/POSITION RESPONSIBLE
Send home parent surveys to Science Saturday attendees	August 2015	Stacie Powell, Youth Services Librarian
Send home parent surveys to Summer STEAM Camp attendees	July 2015	Stacie Powell, Youth Services Librarian
Contact school district personnel for public data on student test scores in Science and Math for year 2015-2016	August 2016	Stacie Powell, Youth Services Librarian
REPORTS	DATE(S)	STAFF NAME/POSITION RESPONSIBLE
<i>Submit first Interim Report</i>	JANUARY 31, 2015	Stacie Powell, Youth Services Librarian
<i>Submit second Interim Report</i>	MAY 31, 2015	Stacie Powell, Youth Services Librarian
<i>Submit Final Report</i>	OCTOBER 31, 2015	Stacie Powell, Youth Services Librarian

Section 8. Project Budget

8.a. Budget Table

Enter anticipated expenditures of LSTA and local dollars. Round all amounts to the nearest whole dollar; calculate totals. Explain all budget items in Section 7.b., the Budget Narrative. LSTA funds may not be used to supplant local funds or for administrative overhead. **Note: If you receive an award, this budget will be used throughout the project period to reference your expenditures.**

BUDGET ITEM	LSTA GRANT FUNDS	LOCAL CONTRIBUTION**	PROJECT TOTAL
Personnel* (Library staff only; use "Other" section for contract personnel.)			
Salary/wages	N/A	7,812.00	7,812.00
Benefits	N/A	1,280.00	1,280.00
Total Personnel	N/A	9,092.00	9,092.00
Library Materials			
Library books	1,000.00	2,000.00	3,000.00
Other library materials (describe): Yearly subscription to Universal Classroom		3,000.00	
Total Library Materials	1,000.00	5,000.00	6,000.00
Other expenditures; Fees for services			
Professional fees, contract staffing	7,000.00		7,000.00
Communication, transportation	1,000.00		1,000.00
Printing, advertising	500.00		500.00
Technology services, fees			
Other fees	500.00		500.00
Other expenditures (describe):			
Total Other Expenditures; Fees	9,000.00		9,000.00
Equipment and Supplies			
Technology equipment	4,000.00		4,000.00
Office supplies	200.00		200.00
Operating supplies	2,800.00		2,800.00
Additional supplies (describe): Science camp t-shirts for attendees and instructors.	1,000.00		1,000.00
Total Equipment & Supplies	8,000.00		8,000.00
BUDGET TOTALS	18,000.00	\$11,092.00	\$29,092.00

*LSTA funds normally may not be used to pay library staff wages or benefits. Discuss unusual funding requests with the LSTA Coordinator before submitting a request for payroll.

**Local funds in-kind or in cash are required to match LSTA funds, at 34% of the total project cost. Read the handout "Calculating the LSTA Match and Managing your Grant Funds" provided with your application for more information and instructions for calculating the required amount of matching funds. Adjust either your LSTA funds requested or your local contribution as necessary to reach the required local contribution.

8.b. Budget Narrative

Explain/describe each planned expenditure listed in the four sections of your budget. To determine if purchases are eligible for LSTA funding, refer "Federal Restrictions on the Use of LSTA Funds" at: <http://statelibrary.sc.libguides.com/lsta-grant-programs> . Contact the State Library if you are not sure if expenditures are appropriate for LSTA.

1. Personnel expenditures (show how personnel totals were calculated): **The library will use the salary of the Youth Services Librarian and the part-time Youth Services Assistant as part of our match funding. The expenditure was calculated by multiplying the daily rate and/or hourly rate of the employees by the amount of time spent on the grant project.**

2. Library books and materials (describe in general terms the materials to be purchased): **The library will purchase accredited STEAM related print material to add to our children's and young adult collection. As part of our match we will offer a subscription to Universal Classroom.**

3. Other expenditures; Fees for services (be specific about each expenditure):
 - **A \$1500 fee will be paid to each South Carolina certified teacher who assists with the Summer STEAM Experience camp. At least three teachers will be sought – two middle school certified science teachers and one middle school certified math teacher. The remainder of the professional fees will be used to pay for Dr. Corbin's services from Clemson University for the science camp and other professionals who will assist with the program.**
 - **\$1,000 is estimated to be used for camp transportation (we will have an actual cost by end of September 2014) – this fee may go down significantly if a School District of Oconee County bus can be used; however, a bus operator and fuel fees will have to still be paid for a SDOC bus. A bus will be used to transport students to Clemson University and other locations for camp field trips.**

4. Equipment and supplies, including technology equipment: describe items to be purchased.
Note: Items costing over \$5000 require separate approval; discuss with the LSTA Coordinator.

- **Eight educational microscope kits - \$80.00 each for a total of \$640.00**
- **Five iPads to use in the field and collect data - \$2,400.00**
- **Portable lab safety eye-wash station - \$100.00**
- **Scales and Weights instruments - \$500.00**
- **Labware starter sets - \$300.00**
- **Safety goggles - \$200.00**
- **Other STEAM related supplies**

5. Matching funds: Indicate the source of each item shown in the "Local Contribution" column of your budget table.* Describe in terms of local dollars from your County, State Aid allocated to the project, the value of in-kind contributions such as personnel wages, funds from a donor source, etc. Read the handout "Calculating the LSTA Match and Managing Your Grant Funds" provided with your application for more information about matching funds.

* If you have contributions from a partnering agency/organization, describe these separately on the "Project Partner Statement" form provided with your application.

Salary and benefits of library employees planning and managing the projects - \$9,092.00 – "in-kind"

Materials - \$5,000 from the county budget and State Aid.



STATE LIBRARY

**SOUTH CAROLINA STATE LIBRARY
LIBRARY SERVICES AND TECHNOLOGY ACT
GRANT AWARD NOTIFICATION – PROGRAM YEAR 2014 FUNDS
P.L. 108-81, AS AMENDED - LS-00-14-0041-14, CFDA No. 45.310**

RECIPIENT NAME & ADDRESS Oconee County Library 501 W. South Broad Street Walhalla, SC 29691-2105 Philip Cheney, Director pcheney@oconeesc.com	DATE OF AWARD: Sept. 19, 2014
	AWARD NUMBER: IID-14-07 PROJECT TITLE : Competitive Grant - Oconee
LSTA PROJECT CATEGORY: Competitive Grants to County Libraries	AWARD AMOUNT: \$17,100.00
Federal Grant Period for FFY14 LSTA, South Carolina State Award: October 1, 2013 – September 30, 2015 PROJECT REPORTING: Interim reports due 1/15/15, 4/15/15, 7/15/15; Final Narrative Report due 10/31/15	PERIOD FOR GRANTEE SUBMISSION OF FINANCIAL INVOICES FOR REIMBURSEMENT: October 1, 2014 through August 15, 2015
Direct questions about your project and LSTA requirements to Kathy Sheppard, LSTA Coordinator, (803)734-8653, ksheppard@statelibrary.sc.gov . For information about reimbursement payments, contact Paula James, Finance Director, (803)734-8917, pjames@statelibrary.sc.gov . For questions or concerns related to the administration of LSTA in South Carolina contact the State Library Director.	
South Carolina State Library PO Box 11469 Columbia, SC 29211	Phone: 803-734-8666 Toll-Free: 1-888-221-4643 Fax: 803-734-8676

BASIC AWARD INFORMATION



This document is the formal announcement of a grant awarded under the Library Services and Technology Act (LSTA) for the purposes of the Act and for state goals identified in South Carolina's 2013-2017 Five-Year LSTA State Plan (including any forthcoming amendments approved by IMLS). The award is to be used ONLY for the support of the grantee's approved project and for any forthcoming revisions approved by the South Carolina State Library. ***Keep this document with your financial records.***

The grant award number must be used on all correspondence directed to the SC State Library concerning this grant. Project changes requiring prior approval include new or substantial changes to the budget, goals, objectives or activities as documented in the grantee's original project application.

All recipients of LSTA grants are required to credit IMLS and the SC State Library in all publications and activities in conjunction with the use of grant funds. Please refer to the "Grantee Communications Kit" for appropriate forms.

South Carolina State Library Authorizing Official: Leesa Benggio, Acting Director

Leesa Benggio

Date

NON AGENDA ITEMS



Public Comment

SIGN IN SHEET

October 7, 2014

6:00 PM

Comment regarding these issues will be heard at the end of the meeting

Council will hear public comment during this portion of the meeting for Non-Agenda Items. Please Be Advised: Combined the two Public Comment Sessions at this meeting are limited to a total of 40 minutes, 4 minutes per person.

Please be advised that citizens not utilizing their full four [4] minutes may not "donate" their remaining time to another speaker. As stated above, each speaker is restricted to a maximum of four [4] minutes.

Citizens failing to PRINT or list the NON AGENDA item they wish to address will not be called upon during this portion of the meeting.

	FULL NAME	NON AGENDA ISSUE
✓ 1	John Dalen	Sales Tax, economic Development
✓ 2	Julie Dalen	County Recorder fees
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✓ 15	B. J.	/ S / S

Excessive speaking before Council will be required to do so in a civil manner. Council will not tolerate personal attacks on individual council members, county staff or any person or group. Racial slurs will not be permitted. Council's number one priority is to conduct business for the citizens of this county. All citizens who wish to address Council and all Boards and Commission appointed by Council should do so in an appropriate manner.

NOTE: Non Agenda Item matters can be addressed except for those which, due to law or proper protocol, would be inappropriate for public meetings of Council, such as, but not limited to, personal attacks on individual council members, partisan political activity and/or comments.

John Dalen

109 Wood Valley Drive, Westminster, SC 29693

johndalen@gmail.com

864 647 4705

Remarks Delivered to Oconee County Council, October 7, 2014

County Council Comments on Taxes, the Economy, and Education

My initial remarks are directed to Mr. Thrift, Mr. Dexter and Mr. Corbeil. I believe that Ordinance 2014-24 is an unlawful attempt to shield yourselves from the consequences of your politically-motivated actions involving the Edwards family.

I feel anger and disgust with regard to this Ordinance, and... I believe it's in the county's best interest that you resign effective immediately.

And now—I'd like to comment on recent articles in *The Journal*. Mr. Blackwell, our Economic Director stated that Oconee has had 300 jobs announced this year. In that same article, the author says unemployment rose from 5.1% in May to 7.3% just five months later. Mr. Blackwell appears in another article on the closing of the Covidien plant, where the author states, "The plant, which had about 595 employees ... is down to about one hundred."

Let's do the math. We have 300 *proposed* jobs minus 595 jobs leaves a net loss of 295 jobs.

The solution is simple. The world is suffering from the failure of an economic system. The world has been practicing Keynesian economics--the theory that promotes government spending and interfering in the marketplace, which goes against the entire history of our nation.

Our nation was founded on the principal of free market economics, which is minimal government interference. The Founders believed that the government is best that governs least. While we followed the free market system, the people enjoyed unparalleled freedom and prosperity.

Remarks by John Dalen October 7, 2014 Continued

The county's spending on dubious projects such as spec buildings, developer tax giveaways, and broadband is Keynesian economics. This system fails to address the needs of the real job creators--the individuals, the small business people and the taxpayers who are the true engine of the economy. When the government picks winners and losers, the losers are the taxpayers.

Also I'd like to comment on the proposed sales tax increase which is Keynesian in nature. In a Sept. 26 *Journal* letter to the editor in favor of the tax, voters are urged to consider library issues in the election. The wrong idea here is that because the project is good and noble, it's ok to force everyone to pay for it. This is Keynesian socialism, not free market policy and it's un-American!

In another article in *The Journal*, Donna Linsin argues "Oconee has means to pay for capital projects" stating "Oconee *could* pay for the proposed capital projects by prioritizing and not recklessly spending public money." In that same article, it is mentioned that Oconee has a surplus of 31 million dollars. Donna Linsin is right! We don't need a tax increase that will further burden a struggling economy!

And finally, in a guest view column by none other than Richard Blackwell, he states, "about 40 percent of SC ninth graders are on track to never finish high school or be able to hold a minimum skills job."

So, in addition to all the just-mentioned dubious projects, taxpayers have spent over 50 million dollars building a school that is projected to fail 40 percent of its students.

There were better ways to spend 50 million dollars! Building was not the answer, and continued building (as proposed by the school board) is equally absurd. When failing 40 percent of your students, you might need to hire a few tutors...!

In closing, a book was written several years ago called The Death of Common Sense ... by Philip K. Howard. The solution for our current problems -- resurrect common sense!

John Dalen

109 Wood Valley Drive, Westminster, SC 29693

johndalen@gmail.com

864 647 4705

Remarks Delivered to Oconee County Council, October 7, 2014

Gentlemen and Ladies,

The topic that I am addressing right now is the loss of revenue incurred by our County Recorder as a result of banking organizations that are skirting the law in order to avoid paying recording fees. But it's really much more than just lost fees, it's about property rights. For generations, an accessible history of land ownership safeguarded property rights for the benefit of the entire community.

This is a very complex issue and I can't possibly cover all the nuances in four minutes; however, the basic idea here is that the banking industry has created a dummy corporation called MERS which stands for "Mortgage Electronic Registration System" whose main purpose is to avoid paying county recording fees. The banking industry, through the use of MERS, is destroying this public land title recording system which has been a beneficial and fundamental feature of American law since before the founding of the Republic. They have done this without any input from the legislative bodies. Financiers circumvented the state and national debate that normally precedes significant legislative change. They created an entirely new system that competes financially with public records, undermines the accuracy of public records, and was never authorized by the elected leaders that guide a republican system of law.

Financial institutions use MERS to avoid paying billions of dollars in recording fees to county and state governments. This represents a significant policy change that erodes the tax base of local governments and also the usefulness of the public land title recording system and infrastructure.

Most counties charge a fee to record mortgage loans and loan assignments. They use these fees to cover the cost of maintaining the property records as well as to fund their court systems, road repairs, schools, libraries etc. The loss of these recording fees is passed on to taxpayers in the form of higher taxes.

Remarks by John Dalen October 7, 2014 Continued

Due to the fact that we are constantly hearing about the need for new taxes to fund the repair of our roads and infrastructure as well as the proposed sales tax increase to fund capital projects, I feel it is imperative that the county try to collect the fees that are already owed and have been stolen from the taxpayers by this unlawfully created, private recording system called MERS.


Before I started speaking I gave you a copy of a CD which contains several law review articles on the subject of my talk this evening. I also handed out a copy of a court case that is currently being litigated.

I have learned that the Beaufort County Administrator, Gary Kubic and the Register of Deeds for Beaufort County, Dale Butts have filed a lawsuit against MERS Corporation and a number of large banks to recover lost recording fees. I've talked with our County Recorder, Anna Davison, and she expressed interest and informed me that she knows Dale Butts (Beaufort Register of Deeds) having previously worked for him. The cover sheet on this case gives information on a lawyer you may contact to discuss the particulars of the case and the possibility of the Oconee County Recorder joining the lawsuit. It is also my hope that this council will instruct our County Recorder, Anna Davison, to join this lawsuit for the recovery of lost and future recording fees.

Thank you.

Sloan Law Firm, P.C.
1055 N. Main Street, Suite F
Summerville, SC 29485
Phone: 843-873-7527
Fax: 843-873-7527
info@sloanlawfirm.com

Home Services Practice Areas Legal Advice Maps Contact



Bill Sloan
ESQ. FIRM
Call or Contact

Home Services Practice Areas Legal Advice Maps Contact

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STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

GARY KUBIC, in his official capacity as
County Administrator for Beaufort
County, South Carolina, and D.A.R.L.
BUTTS, in his official capacity as Register
of Deeds for Beaufort County, South
Carolina;

Plaintiff

v.

MERSCORE HOLDINGS, INC.,
MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC.,
BANK OF AMERICA, N.A., DEUTSCHE
BANK NATIONAL TRUST COMPANY,
JP MORGAN CHASE BANK, N.A.,
MORTGAGE NETWORK, INC.,
CITIMORTGAGE, INC., BSBK BANK
USA, N.A., HSBC MORTGAGE
CORPORATION (USA), HSBC
MORTGAGE SERVICES, INC., SOUTH
CAROLINA BANK AND TRUST, N.A.,
COASTAL STATES BANK, COASTAL
BANKING COMPANY, INC., and
TIDELANDS BANK,

Defendants.

COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL
CIRCUIT

CA NUMBER: 2013-CP-07-0340

AMENDED
SIMMONS
(JURY TRIAL DEMAND)

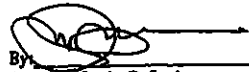
2013 JUN -1 09 21:18
 CLERK OF COURT
 COURT OF COMMON PLEAS
 14TH JUDICIAL CIRCUIT
 1000 W. BROAD ST.
 FLORENCE, SC 29502

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to appear and defend by
answering the Complaint in this action, a copy of which is herewith served upon you, and
to have a copy of your Answer on the undersigned at their office, 1251 May Street Road,
Bluffton, S.C. 29910 or Post Office Box 768, Bluffton, S.C. 29910, within thirty (30)
days after the service hereof, exclusive of the day of such service. If you fail to do so,

judgment by default will be rendered against you for the relief demanded in the Complaint.

VAUX & MARSCHER, P.A.

By: 

Attorneys for the Defendants
Roberts Vaux, SC Bar No. 5702 - Fed. No. 4459
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June 5, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL CIRCUIT
C/A NUMBER: 2013-CP-07-1340

GARY KUBIC, in his official)
capacity as County Administrator)
for Beaufort County, South)
Carolina, and DALE L. BUTTS,)
in his official capacity as Register)
of Deeds for Beaufort County,)
South Carolina,)

Plaintiffs,)

v.)

MERSCORP HOLDINGS, INC.,)
MORTGAGE ELECTRONIC)
REGISTRATION SYSTEMS,)
INC., BANK OF AMERICA, N.A.,)
DEUTSCHE BANK NATIONAL)
TRUST COMPANY,)
JP MORGAN CHASE BANK,)
N.A., MORTGAGE NETWORK,)
INC., CITIMORTGAGE, INC.)
HSBC BANK USA, N.A., HSBC)
MORTGAGE CORPORATION)
(USA), HSBC MORTGAGE)
SERVICES, INC., SOUTH)
CAROLINA BANK AND TRUST,)
N.A., COASTAL STATES BANK,)
COASTAL BANKING)
COMPANY, INC., and)
TIDELANDS BANK,)

Defendants.)

VERIFIED
AMENDED COMPLAINT
(JURY TRIAL DEMANDED)

FILED
JUN 5 2013
AM 11:47

The Plaintiffs, Gary Kubic, in his official capacity as County Administrator for Beaufort County, South Carolina, and Dale L. Butts, in his official capacity as Register of Deeds for Beaufort County, South Carolina, by their attorneys, Vaux & Marscher, P.A., as and for their amended complaint, amended as of right pursuant to S.C.R.C.P. Rule 15(a), complaining of the Defendants, MERSCORP Holdings, Inc., Mortgage Electronic



Registration Systems, Inc., Bank of America, N.A., Deutsche Bank National Trust Company, JP Morgan Chase Bank, N.A., Mortgage Network, Inc., CitiMortgage, Inc., HSBC Bank USA, N.A., HSBC Mortgage Corporation (USA), HSBC Mortgage Services, Inc., South Carolina Bank and Trust, N.A., Coastal States Bank, Coastal Banking Company, Inc., and Tideland Bank, allege and respectfully show unto this Honorable Court as follows:

PARTIES

1. Plaintiff, Gary Kubic, in his capacity as County Administrator of Beaufort County, South Carolina, is a political officer and office created by the State of South Carolina with the right to sue and be sued in his official capacity.
2. Plaintiff, Dale L. Butts, in his official capacity as Register of Deeds for Beaufort County, South Carolina, is a political officer and office created by the State of South Carolina with the right to sue and be sued in his official capacity.
3. Defendant, MORTGAGE ELECTRONIC REGISTRATON SYSTEMS, INC. (hereinafter referred to as "MERS"), is a Delaware corporation and may be served through its registered agent, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.
4. Plaintiffs' claims against MERS arise out of MERS' business activities in South Carolina.
5. Defendant, MERSCORP HOLDINGS, INC. f/k/a MERSCORP, INC. (hereinafter referred to as "MERSCORP"), is a Delaware corporation and may be served through its registered agent, RL&F Service Corp., 920 N King St. F12, Wilmington, DE 19801.
6. Defendant, MERSCORP, owns and operates the MERS System.
7. Plaintiffs' claims against MERSCORP arise out of MERSCORP's business activities in South Carolina.
8. Defendant, BANK OF AMERICA, N.A. (hereinafter referred to as "BOA"), is a foreign corporation authorized to and doing business in the State of South

Carolina and may be served through its registered agent, CT Corporation System, 2 Office Park Court Suite 103, Columbia, SC 29223.

9. Defendant, BOA, is a shareholder of MERSCORP and is a Member of MERS.
10. Defendant, DEUTSCHE BANK NATIONAL TRUST COPMANY (hereinafter referred to as "DEUTSCHE"), is, upon information and belief, a national banking association chartered under the laws of the United States of America and its principal place of business is located at 300 South Grand Avenue, Suite 3950, Los Angeles, CA 90071.
11. Defendant, DEUTSCHE BANK NATIONAL TRUST COMPANY, is a Member of MERS.
12. Defendant, JP MORGAN CHASE BANK, N.A., is a foreign corporation authorized to and doing business in the State of South Carolina and may be served through its registered agent, CT Corporation System, 2 Office Park Court Suite 103, Columbia, SC 29223.
13. Defendant, JP MORGAN CHASE BANK, N.A., is a Member of MERS.
14. Defendant, MORTGAGE NETWORK, INC., is a foreign corporation authorized to and doing business in the State of South Carolina and may be served through its registered agent, David Crowell, Village at Wexford, Clarendon Building, Hilton Head Island, SC 29928.
15. Defendant, MORTGAGENETWORK, INC., is a Member of MERS.
16. Defendant, CITIMORTGAGE, INC., is a foreign corporation authorized to and doing business in the State of South Carolina and may be served through its registered agent, CT Corporation System, 2 Office Park Court Suite 103, Columbia, SC 29223.
17. Defendant CITIMORTGAGE, INC., is a shareholder of MERSCORP and is a Member of MERS.
18. Defendants, BOA and CITIMORTGAGE, INC., shall hereinafter collectively be referred to as "MERSCORP SHAREHOLDER DEFENDANTS".
19. Defendant, HSBC BANK USA, N.A., is a foreign corporation authorized to and doing business in the State of South Carolina and may be served through its

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registered agent, CT Corporation System, 2 Office Park Court Suite 103, Columbia, SC 29223.

20. Defendant, HSBC BANK USA, N.A., is a Member of MERS.
21. Defendant, HSBC MORTGAGE CORPORATION (USA), is a foreign corporation authorized to and doing business in the State of South Carolina and may be served through its registered agent, CT Corporation System, 2 Office Park Court Suite 103, Columbia, SC 29223.
22. Defendant, HSBC MORTGAGE CORPORATION (USA), is a Member of MERS.
23. Defendant, HSBC MORTGAGE SERVICES, INC., is a foreign corporation authorized to and doing business in the State of South Carolina and may be served through its registered agent, CT Corporation System, 2 Office Park Court Suite 103, Columbia, SC 29223.
24. Defendant, HSBC MORTGAGE SERVICES, INC., is a Member of MERS.
25. Defendant, SOUTH CAROLINA BANK AND TRUST, N.A. (hereinafter referred to as "SCBT"), is a domestic corporation duly organized and existing under and by virtue of the laws of the State of South Carolina and may be served through its registered agent, Joe E. Burns, 520 Gervais Street, Columbia, SC 29201.
26. Defendant, SCBT, is a Member of MERS.
27. Defendant, COASTAL STATES BANK, is a domestic corporation duly organized and existing under and by virtue of the laws of the State of South Carolina and may be served through its registered agent, Randy K. Dolyniuk, 5 Bow Circle, Hilton Head Island, South Carolina 29928.
28. Defendant, COASTAL STATES BANK, is a Member of MERS.
29. Defendant, COASTAL BANKING COMPANY, INC., is a domestic corporation duly organized and existing under and by virtue of the laws of the State of South Carolina and may be served through its registered agent, Randolph C. Kohn, 36 West Sea Island Parkway, Beaufort, SC 29902.
30. Defendant, COASTAL BANKING COMPANY, INC., is a Member of MERS.

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31. Defendant, TIDELANDS BANK, is a domestic corporation duly organized and existing under and by virtue of the laws of the State of South Carolina and may be served through its registered agent, Thomas H. Lyles, 840 Lowcountry Blvd., Mt Pleasant, South Carolina 29464.

32. Defendant, TIDELANDS BANK, is a Member of MERS.
33. Defendants, BOA, DEUTSCHE, JP MORGAN CHASE BANK, N.A., MORTGAGE NETWORK, INC., CITIMORTGAGE, INC., HSBC BANK USA, N.A., HSBC MORTGAGE CORPORATION (USA), HSBC MORTGAGE SERVICES, INC., SCBT, COASTAL STATES BANK, COASTAL BANKING COMPANY, INC., and TIDELANDS BANK shall hereinafter be referred to as "MERS MEMBER DEFENDANTS".

JURISDICTION AND VENUE

34. Defendants, MERSCORP, MERS, BOA, DEUTSCHE, JP MORGAN CHASE BANK, N.A., MORTGAGE NETWORK, INC., CITIMORTGAGE, INC., HSBC BANK USA, N.A., HSBC MORTGAGE CORPORATION (USA), and HSBC MORTGAGE SERVICES, INC., are subject to in personam jurisdiction under the South Carolina long-arm statute (SC Code of Laws Section 36-2-803), specifically, the causes of action against said Defendants arise from their transaction of business in the State of South Carolina.
35. Venue is proper pursuant to SC Code of Laws Section 15-7-30(E)(2).

BACKGROUND

A. SECURITIZATION

I. Financial collapse of 2008

36. On January 27, 2011, the Financial Crisis Inquiry Commission ("FCIC") issued its Final Report on the causes of the financial collapse of 2008. According to the FCIC:

The profound events of 2007 and 2008 were neither bumps

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In the road not an associated dig to the financial and business cycles we have come to expect in a free market economic system. This was a fundamental disruption—a financial upheaval, if you will—that reached houses in communities and neighborhoods across this country.

As this report goes to print, there are more than 36 million Americans who are out of work, cannot find full-time work, or have given up looking for work. About four million families have lost their homes to foreclosure and another four and a half million have slipped into the foreclosure process as are seriously behind on their mortgage payments. Nearly \$11 trillion in household wealth has vanished, with retirement accounts and 401k savings swept away. Businesses, large and small, have felt the sting of a deep recession. There is much anger about what has transpired, and justifiably so. Many people who worked hard all the while now find themselves out of work and uncertain about their future prospects. The collateral damage of this crisis has been real people and real communities. The impact of this crisis we likely to be felt for a generation. And the nation faces no easy path to renewed economic strength.

We conclude this financial crisis was avoidable. The crisis was the result of human greed and hubris, not of Market Failure or complex model's game theory. The agencies of finance and the public servants of our financial system ignored warnings and failed to question, understand, and manage evolving risks within a system essential to the well-being of the American public. There was a big choice, not a mistake. While the business cycle cannot be repeated, a crisis of this magnitude need not have occurred. To paraphrase Shakespeare, the fault lies not in the stars, but in us.

Despite the supposed wise of many on Wall Street and in Washington that the crisis could not have been foreseen or avoided, there were warning signs. The tragedy was that they were ignored or discounted. There was an explosion in risky subprime lending and securitization, an unsustainable rise in housing prices, widespread reports of corruption and predatory lending practices, dramatic increases in household mortgage debt, and exponential growth in financial "innovative" trading activities, unregulated derivatives, and short-term "repo" lending markets, among

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many other sub Prime. Yet there was pervasive pessimism; and, little rationalized action was taken to quell the threats to a timely recovery.

The prime example is the Federal Reserve's pivotal failure to stem the flow of toxic mortgages, which it could have done by setting prudent mortgage-lending standards. The Federal Reserve was the one entity empowered to do so and it did not. The record of our examination is replete with evidence of other failures: financial institutions made, bought, and sold mortgage securities they never examined, did not care to examine, or knew to be defective; trillions deposited on tens of billions of dollars of borrowing that had to be received each and every night, secured by subprime mortgage securities; and major firms and investors blindly relied on credit rating agencies as their arbiter of risk. What else could one expect on a highway where there were neither speed limits nor neatly painted lines?

We conclude there was a systematic breakdown in accountability and ethics. The integrity of our financial markets and the public's trust in those markets are essential to the economic well-being of our nation. The securities and the soundness of the financial system and our economy rely on the nature of fair dealing, responsibility, and transparency. In our country, we expect businesses and individuals to pursue profits, at the same time that they produce products and services of quality and conduct themselves well.

Unfortunately—as has been the case in past speculative booms and busts—we witnessed an erosion of standards of responsibility and ethics that exacerbated the financial crisis. This was not universal, but these breaches stretched from the ground level to the corporate suite. They resulted not only in significant financial consequences but also in damage to the trust of investors, businesses, and the public in the financial system.

For example, our examination found, according to our surveys, that the percentage of borrowers who defaulted on their mortgages within just a matter of months after closing a loan nearly doubled from the summer of 2006 to late

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2007. This data indicates they likely took out mortgages that they never had the capacity or intention to pay. You will read about mortgage brokers who were paid "yield spread premiums" by lenders to get borrowers into higher-cost loans so they would get bigger fees, after never disclosed to borrowers. The report emphasizes the rising incidence of mortgage fraud, which flourished in an environment of collapsing lending standards and lax regulation. The number of suspicious activity reports—reports of possible financial crimes filed by depository banks and their affiliates—related to mortgage fraud grew 26-fold between 1996 and 2005 and then more than doubled again between 2005 and 2009. One study places the losses resulting from fraud on mortgage loans made between 2006 and 2007 at \$112 billion.

Lenders made loans that they knew borrowers could not afford and that could cause massive losses to investors in mortgage securities. As early as September 2004, Countrywide executives recognized that many of the loans they were originating would result in "catastrophic consequences." Less than a year later, they noted that certain high-risk loans they were making could result not only in foreclosures but also in "financial and reputational catastrophe" for the firm that they did not stop.

2004

In an interview with the Commission, Angelo Mozilo, the longtime CEO of Countrywide Financial—a lender brought down by its risky mortgage—said that a "gold rush" mentality overtook the country during these years, and that he was swept up in it as well: "Housing prices were rising so rapidly - it's like that I'd never seen in my 45 years in the business - that people, regular people, average people got caught up in the mania of buying a house, and flipping it, making money. It was happening. They buy a house, make \$50,000... and walk the whole party down it... Housing suddenly went from being part of the American dream to being any family to sell down - it became a commodity. That was a change in the culture... it was sudden, unexpected."

Paul
J.P.

37. The bubble that was the genesis of the Financial Crisis of 2008, burst when the collapse of the primary and secondary mortgage markets triggered a liquidity shortage in the U.S. banking system. This collapse was a direct result of the financial system's over-reliance on, packaging, securitization, and sale of tens of millions of mortgages throughout the United States—activities in which DeRemata actively participated. Without the shelter of the MERS System and the other wrongful actions of Defendants as alleged herein, these activities would not have been possible.

II. Mortgage Finance Before and After MERS

38. The typical residential mortgage finance transaction results in two legally operative documents: (1) a promissory note, a negotiable instrument which represents the borrower's repayment obligation over the term of the loan; and (2) a mortgage, representing the security interest in certain property re collateral for repayment of the note.

39. MERS covers a mortgage finance transaction when the lender and the borrower name MERS in the mortgage instrument "as servicer for the lender and its successors and assigns."

40. The executed promissory note is sold on the secondary mortgage market and may, over its term, have many owners. This is often achieved by a complex process called securitization. The note is transferred, along with many other notes, through several different entities into a special purpose vehicle ("SPV"), typically a trust, the trust then issues securities backed by the trust corpus, i.e., the notes, to investors. Regardless of the secondary market venue which the note takes, MERS remains the named servicer as "servicer" for the subsequent owners of the note as long as the note is held by a MERS member. In re. *ADAMS*, 650 P. Supp. 2d 1368, 1370 n.6.

41. Before the formation of MERS, "secondary market in various generally recognized secured assignments for over millions of pre-sworn-to interests [in security interests, i.e. mortgages]." *Stratton & McLaughlin*, 31 *Ill. B. L. Rev.* at 808. For the lien to be perfected and involve the property against subsequent efforts by the mortgagee to sell the property or borrow against it, the mortgage instrument was recorded in the mortgage records of the county in which the property is located.

Paul
J.P.

III. The Public Recording System

42. The origins and reasons for public recordation of mortgage interests in the United States date back to at least the middle of the 17th Century. According to one commentator:

One of the most striking features of Anglo-American law is the requirement to file notice in public files of a nonpossessory secured transaction in order to enforce the transaction in the court against third parties. The transaction of interest first developed during the early seventeenth century. English mortgage law developed for real estate. Originally, the parties structured mortgages with the secured-mortgages in possession of the landed collateral, not the debtor-mortgagor. But by the early seventeenth century, the English had developed the technique of leaving the debtor-mortgagor in possession of the land to work off the loan.

Not all legal systems have the filing requirement. Roman law recognized the transaction, but did not require a filing. The Napoleonic Code banned the transaction. The modern explanation of these three different legal rules involves the secret lien. When debtors retain possession of the personalty serving as collateral under the non-possessory secured transaction, subsequent lenders and purchasers have no way of discovering the prior ownership interest of the earlier secured creditors unless the debtor's honesty forces disclosure. Without that disclosure, the debtor could borrow excessively, offering the same collateral as security several times, possibly leaving some of the debtor's creditors without collateral sufficient to cover their loan upon the debtor's financial demise. Roman law solved the problem by providing a fraud remedy against the debtor. The Napoleonic Code solved the problem by banning the transactions. Anglo-American law solved the problem by requiring a filing. Potential subsequent lenders and purchasers could then become aware of the debtor's prior obligation by examining the public files and protect

themselves by taking the action they deemed appropriate, either not lending or charging higher interest.¹

43. Mortgage recordation in South Carolina is governed by Title 30 of the South Carolina Code of Laws. Section 30-7-10 provides, in part,

...all mortgages or instruments in writing in the nature of a mortgage of any real property are valid so as to affect the rights of subsequent creditors...or purchasers for valuable consideration without notice, only from the day and hour when they are recorded in the office of the register of deeds or clerk of court of the county in which the real property affected is situated...

Once properly filed, a mortgage notice to all persons of the existence of the instrument, protects the mortgagee's (lender's) security interest against creditors of the mortgagor, and places subsequent purchasers on notice that the property is encumbered by a mortgage lien. Unless the mortgage is recorded, the mortgage is void as to a creditor or as to a subsequent purchaser for a valuable consideration without notice.

44. Until recently, when a loan secured by a mortgage was sold, the assignee would record the assignment of the mortgage to protect the security interest. If a servicing company serviced the loan and the servicing rights were sold—an event that could occur multiple times during the life of a mortgage loan—multiple assignments were recorded to ensure that the proper servicer and/or note-holder appeared in the land records in the county clerk's office. This basic model has been followed throughout the United States for over three hundred years to provide the public with notice of the ownership of, and liens encumbering, real property throughout the United States. Defendants and others similarly situated have changed all of this and collapsed the public recordation system throughout the United States and in South Carolina.

45. The MERS business plan, as envisioned and implemented by the Defendants is based in large part on amending the traditional model of recording security interests in real property and introducing a third party into the equation—MERS. The motivation for creating MERS was Wall Street's and the major banks including

¹ George Lee Flint, Jr. and Marie Juliet Alfaro, *Secured Transactions History: The First Chattel Mortgage Act in the Anglo-American World*, 30:4 William Mitchell Law Review 1403, 1403-05.

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MERSCORP SHAREHOLDER DEFENDANTS' desire to alleviate the "inconvenience" of the public recording system and create their own privately owned shadow electronic recording system - the MERS System - to increase the velocity and ease with which mortgages could be bought and sold. In the words of one court, the MERS System was designed "as a replacement for our traditional system of public recordation of mortgages."²

IV. Genesis of the MERS System

46. The public recording system and the South Carolina Recording System in particular, entailed what the banking industry perceived as substantial administrative burdens on secondary mortgage market participants. *Slesinger & McLaughlin, supra.* at 809-810.

47. As a result, in 1993, "the [Mortgage Bankers' Association ("MBA") InterAgency Technology Task Force...published a 'white paper' at the MBA's Annual Convention that describes an electronic book entry system for the residential mortgage industry." *Id.* at 810. At the time, among other benefits to the mortgage industry, MERS proponents claimed that "[o]nce MERS is established as the mortgagee of record, all subsequent transfers of ownership would be recorded electronically, eliminating the need to physically prepare, deliver, record and track assignment documents.

48. The Defendants, MERSCORP and MERS, along with the MERS members, developed MERS along these lines. So, instead of effecting formal assignments of a mortgage when MERS members transfer the accompanying note between one another, the MERS members simply register the change in beneficial ownership in the MERS electronic database.

V. How MERS Works

49. MERS is a subsidiary of MERSCORP. MERSCORP is owned by various mortgage banks, title companies, and title insurance companies, including MERSCORP SHAREHOLDER DEFENDANTS. When a lender which is a "member" of MERS makes a mortgage loan, the lender instructs the title company to show not only the lender but also MERS, as "mortgagee" under the mortgage. The lender then registers the loan on the MERS System and causes the mortgage to be recorded in the mortgage records of the

county in which the property subject to the mortgage is located. Because MERS is shown in the mortgage as having a security interest in the real property, the county clerk will index MERS in the mortgage records index as a "grantee." MERS has described its role in the mortgage banking industry as follows:

[MERS] and MERSCORP, Inc. were developed by the real estate industry to serve as the mortgagee of record and operate an electronic registration system for tracking interests in mortgage loans. . . Specifically, the MERS® System tracks the transfers of mortgage servicing rights and beneficial ownership interests in mortgage loans on behalf of MERS Members.

The promissory note is a negotiable instrument under Article 3 of the Uniform Commercial Code, and originating lenders routinely sell these notes on the secondary markets to investors. "The ability of lender to replenish their capital by selling loans in the secondary market is what makes money accessible for home ownership."

♦♦♦♦

At the origination of the loan by a lender who is a MERS Member, the lender takes possession of the note (and becomes the holder of the note), and the borrower and lender designate MERS (as the lender's nominee) to serve as the mortgagee or beneficiary of record. The lender's secured interest is thus held by MERS. . . Rules, which are incorporated into all MERS' agreements with its members, provide that members "shall cause Mortgage Electronic Registration System, Inc. to appear in the appropriate public records as the mortgagee of record with respect to each mortgage loan that the Member registers on the MERS® System."

Accordingly, when a MERS Member originates a loan, the original lender and the borrower contractually agree in the mortgage that MERS will be the mortgagee and will serve as nominee for the lender and its successors and assigns. In the event of a default on the loan, MERS as the beneficiary or mortgagee, is authorized to foreclose on the home. After the borrower signs the mortgage agreement, it is recorded in the public, local land records with MERS as the named beneficiary or mortgagee.

² *In Re Agard*, 444 BR 231, 247 (E.D.N.Y. 2011).

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The MERS Member then registers the mortgage loan information from the security instrument on the MERS® System. When the beneficial interest in a loan is sold, the promissory note is still transferred by an endorsement and delivery from the buyer to the seller, but MERS Members are obligated to update the MERS® System to reflect the change in ownership of the promissory note.

So long as the sale of the note involves a MERS Member, MERS remains the named mortgagee of record, and continues to act as the mortgagee, as the nominee for the new beneficial owner of the note (and MERS' Member). The seller of the note does not and need not assign the mortgage because under the terms of that security instrument, MERS remains the holder of title to the mortgage, that is, the mortgagee, as the nominee for the purchaser of the note, who is then the lender's successor and/or assign. Accordingly, there is no splitting of the note and mortgage for loans in the MERS® System. If, however, a MERS' Member is no longer involved with the note after it is sold, an assignment from MERS to the party who is not a MERS Member is executed by MERS, that assignment is recorded in the County Clerk's office where the real estate is located, and the mortgage is "deactivated" from the MERS® System.³

50. The lender agrees when registering a loan and security interest on the MERS System that the lender will update the MERS System with regards to any changes in the mortgage loan. Rule II, Section 3 of the MERS CORP Rules of Membership⁴ sets out a member's duties as regards keeping the MERS System current:

Section 3. Each Member shall promptly, or as soon as practicable, register on the MERS® System, in accordance with the Rules of Membership and the Procedures, any and all of the following transactions to which such Member is a party which involve a mortgage loan registered on the MERS® System until such time as the mortgage loan is deactivated from the MERS® System:

- a) the pledge of any mortgage loan or security interest therein and the corresponding release of such security interests;
- b) the pledge of any servicing rights or security interest therein and the corresponding release of such servicing rights or security interests;
- c) the transfer of beneficial ownership of a mortgage loan by a Member to a Member;
- d) the transfer of beneficial ownership of a mortgage loan by a non-Member to a Member;
- e) the transfer of beneficial ownership of a mortgage loan by a Member to a non-Member;
- f) the transfer of servicing rights with respect to a mortgage loan by a Member to a Member;
- g) the registration of servicing rights with respect to a mortgage loan from a non-Member to a Member;
- h) the transfer of servicing rights with respect to a mortgage loan from a Member to a non-Member (requiring deactivation);
- i) the initiation of foreclosure of any mortgage loan registered on the MERS® System;
- j) the release of a lien with respect to a mortgage loan registered on the MERS® System;
- k) the creation of a sub-servicing relationship with respect to a mortgage loan registered on the MERS® System; and
- l) any renewal, extension or modification of a mortgage loan registered on the MERS® System that involves the recording of a new security instrument and does not merely change the rate, principal balance or term.

³ Exhibit 1, *In Re Agard*, supra, 2011, *Supplemental Brief of Mortgage Electronic Registration Systems, Inc. In Further Support of Motion to Lift Stay* at 3-4; 5-6.

⁴ Exhibit 2, *Merscorp Rules of Membership* at Rule II.3.

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Page 14

VI. The Truth about MERS

51. According to MERS (see "MERS Quick Facts", a copy of which is annexed as Exhibit "3"), it appears as the mortgagee of record in over 70 million mortgages recorded in the mortgage records of counties throughout the United States. Thirty million of these mortgages remain active. *Id.* MERS, however, does not actually have a security interest in the real property that is the subject of such mortgages. Indeed, according to MERS:

MERS has no interest at all in the promissory note evidencing the mortgage loan. MERS has no financial or other interest in whether or not a mortgage loan is repaid. . .

MERS is not the owner of the promissory note secured by the mortgage and has no rights to the payments made by the debtor on such promissory note. . . . MERS is not the owner of the servicing rights relating to the mortgage loan and MERS does not service loans. The beneficial interest in the mortgage (or the person or entity whose interest is secured by the mortgage) runs to the owner and holder of the promissory note. In essence, MERS immobilizes the mortgage lien while transfers of the promissory notes and servicing rights continue to occur. (citation omitted).⁵

52. MERS has also admitted that under its agreement with its members, MERS "cannot exercise, and is contractually prohibited from exercising, any of the rights or interests in the mortgages or other security documents" and has "no rights whatsoever to any payments made on account of such mortgage loans, to any servicing rights related to such mortgage loans, or to any mortgaged properties securing such mortgage loans." *Id.* at 10.

53. At this point, one might ask how MERS can be the "mortgagee" in a mortgage as to which the beneficial interest "runs to the owner and holder of the promissory note." *Id.* at 11-12. Plainly, it cannot. As one court has observed:

MERS and its partners made the decision to create and operate under a business model that was designed in large

⁵ *Mortgage Electronic Registration Systems, Inc. Nebraska Dept. of Banking and Finance*, 704 N.W.2d 784 (Neb. 2005), *Brief of Appellants* at 11-12 (emphasis added). Copies of the relevant pages are annexed as Exhibit "4".

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part to avoid the requirements of the traditional mortgage recording process. This Court does not accept the argument that because MERS may be involved with 30% of all residential mortgages in the country, that is reason enough for this Court to turn a blind eye to the fact that this process does not comply with the law.

Aside from the inappropriate reliance upon the statutory definition of "mortgagee," MERS' position that it can be both the mortgagee and an agent of the mortgagee is absurd, at best.

This Court finds that MERS' theory that it can act as a "common agent" for undisclosed principals is not supported by the law. The relationship between MERS and its lenders and its distortion of its alleged "nominee" status was appropriately described by the Supreme Court of Kansas as follows: "The parties appear to have defined the word [nominee] in much the same way that the blind men of Indian legend described an elephant - their description depended on which part they were touching at any given time." *Landmark Nat'l Bank v. Kester*, 216 P.3d 158, 166-67 (Kan. 2010).⁶

With regards to the legal accuracy of MERS' recitation that it is the "mortgagee", one scholar has stated:

At the most simple level, mortgages and deeds of trust recorded at origination represent that MERS is the mortgagee or deed of trust beneficiary. Taking the appellate decisions in Arkansas,⁷ Kansas,⁸ Maine,⁹ and Missouri¹⁰ at face value, (citation omitted), mortgages naming MERS as the mortgagee contain a false statement. Accordingly,

⁶ *In Re Agard*, *supra*.

⁷ *Mortgage Electronic Registration Systems, Inc. v. Southwest Homes*, 301 S.W.3d 1 (Ark. 2009).

⁸ *Landmark Nat'l Bank v. Kester*, 216 P.3d 158 (Kan. 2009).

⁹ *Mortgage Electronic Registration Systems, Inc. v. Saunders*, 2 A.3d 289 (Me. 2010).

¹⁰ *Bellistri v. Ocwen Loan Servicing, LLC*, 284 S.W.3d 619 (Mo. Ct. App. 2009).

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MERS and its members use false information to avoid paying recording fees to county governments. While MERS-recorded mortgages and deeds of trust have qualifying language suggesting that MERS is also a nominee, the representation that MERS is the (citation omitted) owner of the lien is not some innocuous legalism. It causes county recorders that maintain grantor-grantee indexes to list MERS in the chain of title for the land. The false designation of MERS as a mortgagee or beneficiary creates a false lead in the true chain of title that defeats an essential purpose of recording mortgages and deeds of trust.¹¹

54. The havoc wrought by MERS was summarized aptly in an April 6, 2011 letter from the Guilford County, North Carolina Register of Deeds and Southern Essex District of Massachusetts Register of Deeds to Iowa Attorney General Tom Miller, leader of the Mortgage Foreclosure Multistate Group, comprised of state attorneys general in all 50 states. The letter outlines the concerns shared by county clerks and recorders nationwide and states, in part:

As County Land Record Recorders in Massachusetts and North Carolina, we have been gravely concerned about the role of the Mortgage Electronic Registration Systems (MERS) in not only foreclosure proceedings, but as it undermines the legislative intent of our offices as stewards of land records. MERS tracks more than 60 million mortgages across the United States and we believe it has assumed a role that has put constructive notice and the property rights system at risk. We believe MERS undermines the historic purpose of land record recording offices and the "chain of title" that assures ownership rights in land records.¹²

55. The MERS System has created massive confusion as to the true owners of beneficial interests in mortgage loans and mortgages throughout the United States,

¹¹ Christopher L. Peterson, *Two Faces: Demystifying the Mortgage Electronic Registration System's Land Title Theory*, 53 *Wm. & Mary L. Rev.* 1 at 143-44 (2011), <http://scholarship.law.wm.edu/wmlr/vol53/>.

¹² Exhibit 5, April 6, 2011 Letter from John O'Brien and Jeff Thigpen to Iowa Attorney General Tom Miller at 1-2, http://www.co.guilford.nc.us/departments/rod/ROD_Letter_To_AG_Miller.pdf.

including South Carolina, and has harmed U.S. counties, including Plaintiff Beaufort County. In short, the MERS System has eroded the transparency and corrupted the chain of title of the public recording system in the United States and the State of South Carolina.

VII. And the Fiction Continues

56. As a result of the MERS fiction, the mortgage remains in the name of MERS and is severed from the Note. The note is transferred, along with many other notes, through several different entities into a special purpose vehicle ("SPV"), typically a trust; the trust then issues securities backed by the trust corpus, i.e., the notes, to investors.

57. In order for securitization to work, however, the SPV has to qualify as a "Real Estate Mortgage Investment Conduit" ("REMIC") which requires compliance with applicable sections of the Internal Revenue Code. An SPV which in fact qualifies as a REMIC offers investors two potential benefits that boost the SPV's value relative to other investment options: bankruptcy-remoteness and favorable tax treatment. Bankruptcy remoteness means both that the SPV that issues the mortgage-backed securities cannot file for bankruptcy and that the SPV's assets cannot be brought into the bankruptcy estate of other entities in the mortgage loans' chain of title. These features isolate the SPV's mortgage payment cash flow from claimants other than their investors. Additionally, REMIC status ensures that only the investors, and not the SPV, are taxed on the SPV's cash flow.

58. In order for an SPV to qualify for REMIC status, the SPV must be formed in a particular way, and its assets must be transferred to it in a particular manner. There are two documents in particular that need to be properly transferred to the SPV - the promissory note and the mortgage. Possession of a note without a mortgage amounts to possession of unsecured debt and will ordinarily disqualify the SPV from enjoying REMIC status.

59. In order for an SPV to have REMIC status, substantially all of its assets must be qualified mortgages.¹³ A qualified mortgage is defined as "any obligation (including any participation or certificate of beneficial ownership therein) which is

¹³ 26 U.S.C. § 860D(a)(4).

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principally secured by an interest in real property."¹⁴ REMIC status is lost when too many non-qualified mortgages are in the trust. For the SPV, retention of REMIC pass-through tax status was imperative because its loss added significant costs to securitization, driving investors to other investments.

60. SPV's are usually formed pursuant to, and governed by, contracts called Pooling and Servicing Agreements ("PSAs"), which are crafted to ensure that the benefits of mortgage securitization flow to the SPV. In order for an SPV to qualify for the bankruptcy-remoteness benefits of a REMIC, there must be a "true sale" of the mortgage loans, which means that all rights to the mortgage loan are transferred to the SPV so that no other entity in the chain of title could claim control of the assets in the event of bankruptcy.

61. The PSAs contain express language to ensure that all rights to the mortgage loans have been transferred to the SPV, so that the transaction is considered a true sale and, accordingly, bankruptcy-remoteness is achieved and the SPV maximizes its ratings. The express language also requires that the loans sold to the SPV are subject to a security interest. The security interests transferred to the SPV must be perfected security interests.

62. Pursuant to the PSAs, the trust remains open for a relatively short period of time, approximately 30 days, in which to transfer all notes. As shown in the excerpts from the sample PSA attached as Exhibit "6", the trust is dated August 1, 2006 and the closing date is August 30, 2006 - 30 days to transfer the notes. (Exhibit "6", Sections 1.01 and 2.01(e)). The PSAs further set forth the manner in which the notes are to be transferred - with specific intervening endorsements so as to ensure that the trust's assets cannot be brought into the bankruptcy estate of other entities and to protect the trust's REMIC status. (Exhibit "6", Section 2.01(e)). In addition, after the closing date of the PSAs, the trustee has a clean up period of three (3) months in which to transfer all mortgages - as mandated by US Treasury regulations governing REMICs. (26 U.S.C. Section 860D). Since the terms of the PSAs require that the trustee not take any action or omit to take any action that would jeopardize REMIC status (Exhibit "6", Section 8.11(g)), these regulations must be followed.

¹⁴ 26 U.S.C. § 860C(d)(3).

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63. Furthermore, PSAs are governed by New York law. (Exhibit "6", Section 10.03). PSAs, in turn, govern acquisitions to the trust. New York's Estates, Powers & Trusts Law ("EPTL") Section 7-2.4 states:

If the trust is expressed in the instrument creating the estate of the trustee, every sale, conveyance or other act of the trustee in contravention of the trust...is void.

EPTL Section 1-1.5 further provides that "the provisions of this chapter apply to the estates...of persons." Person is described in EPTL Section 1-2.12 as follows:

The term "person" includes a natural person, an association, board, any corporation, whether municipal, stock or non-stock, court, governmental agency, authority or subdivision, partnership or other firm and the state.

The provisions of EPTL Section 7-2.4 are therefore applicable to PSAs which govern acquisitions to the trust. Any transfer to the trust in contravention of the governing PSA would be void under New York law - the law that was chosen to govern by Defendants.

64. Specifically, if a trustee acquired a mortgage after three (3) months of the closing date, the trustee would exceed its authority and violate the terms of the trust. This transfer is not a mere technicality but rather a material violation of the trust's terms which jeopardizes the trust's REMIC status and is in effect a nullity. Exhibit "7", *Wells Fargo Bank, N.A. v. Zwickler*, 2013 NY Slip Op 50675(U).

65. In actuality, notes are not transferred to the PSAs with the required intervening endorsements, and neither the notes nor the mortgages are transferred within the time constraints set forth in the PSAs.¹⁵ Rather, the lender endorses the note in blank to be held by a MERS member within the MERS system. There are then three possible scenarios:

1. The loan is paid off at which time a satisfaction of mortgage must be filed by the MERS member currently holding the note. The problem is that the mortgage was not previously assigned to this MERS member by the original lender. In order to

¹⁵ Mere recital of assignment, holding or receipt of an asset is insufficient to transfer an asset to a trust. The grantor must actually transfer the asset. EPTL Section 7-1.18.

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close the gap in the chain of title, an employee of the MERS member, posing as a MERS employee, executed an assignment of the mortgage using MERS' purported status as "mortgagee". MERS had no employees and the individual posing as a MERS employee executed the assignment of mortgage fraudulently, without the requisite authority, and without verification. Hence, these individuals have been dubbed "robosigners".

2. The loan is sold to a non-MERS member and must be assigned from the MERS member to the non-MERS member. The same problem - mortgage was not previously assigned to the MERS member by the original lender. Same solution - a fraudulent assignment executed by an employee of the MERS member posing as a MERS employee and using MERS' purported status as "mortgagee".
3. The borrower defaults and it is necessary to foreclose on the mortgage. In these cases, either MERS (which has disavowed any interest in the note or mortgage) or a MERS member bank which holds the mortgage endorsed in blank by the original lender have purchased a foreclosure action merely as a holder of the note and without an assignment of the mortgage. It is not subsequent to the commencement of the foreclosure action, but the mortgage is actually assigned to the MERS member. Here again there is a gap in the chain of title since the original lender never assigned the note to the MERS member. To resolve the problem, the MERS member, in the midst of foreclosure litigation, has its own employees fraudulently execute an assignment of the mortgage posing as a MERS employee and using MERS' purported status as "mortgagee".

In each of these scenarios, the assignment is not only fraudulent but also legally void. Most of these escrowee results in an assignment of the mortgage within the three (3) month close up period mandated by 36 U.S.C. Section 3960 (which the trust terms require that the trustee adhere to in order to protect the trust's REMIC status). Each of these scenarios results in a void transfer. EPTL Section 7-2.4. Nevertheless, these fraudulent and legally ineffective documents are recorded in the public records and MERS is labeled as the "grantee". MERS has, moreover, disavowed any beneficial interest in the mortgage.

66. From beginning to end, securitization, facilitated by the MERS system, has eroded the transparency of public records and rendered these records virtually worthless.

67. SOUTH CAROLINA'S RECORDING SYSTEM

67. Section 30-9-XX(A) of the South Carolina Code of Laws provides, in part, that:

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...each clerk of courts and register of deeds in this State shall keep a record, in the office in which he files all conveyances, mortgages, ... and papers relating to real property, ... by entering in the record the name of the grantor and grantee, mortgagee and mortgagee, obligor and obligee. ... (emphasis supplied)

Moreover, Section 30-9-40 provides that:

"The register of deeds or clerk of court in those counties where the office of the register of deeds has been abolished shall immediately upon the filing for record of any deed, mortgage, or other written instrument of the character mentioned in Section 30-7-10 or Chapter 9 of Title 36 enter it upon the proper indices in his office, which constitutes an integral, necessary, and inseparable part of the records of the deed, mortgage, or other written instrument for any and all purposes whatsoever, and the said indices apply to any copy of the instrument made subsequently by the register of deeds or clerk of court, or the deputy of either, or by his authority for the purpose of replacing the original indices. The copies in the last case required to be made are those to all persons sufficient to put them upon inquiry as to the personal effect of the deed, mortgage, or other written instrument so filed for record, but the recording of a deed, mortgage, or other written instrument is not notice as to the present and effect of the deed, mortgage, or other written instrument unless the filing of the instrument for record is except as required in the indexes. (emphasis supplied)

68. MERS as "Grantee"

68. Under yet it has in effect for many years, employees of the Office of the Register of Deeds of the State of South Carolina record as a "grantee" any person identified as a "lender," "grantee," or "mortgagee" in a mortgage deed or a "grantee" any person who is denominated in an instrument as the person releasing, mortgaging, or selling any other articles pursuant to which a lien upon or interest in real property is released, transferred, or assigned, e.g., "assignor," "lender," "holder of Note and Lien," or "the legal and equitable owner and holder" of a promissory note.

69. In the past, the lender whose note was secured by a mortgage would be identified in the mortgage as the "mortgagee".

70. By 2006, however, lenders such as MERS MEMBER DEFENDANTS were mutually identifying MERS as the "mortgagee" of mortgages recorded nationwide and in South Carolina. For example, mortgages filed by Defendants SCBT in 2006 and to

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2012 correct the following language with specific words in bold:

MERS is Mortgage Electronic Registration Systems, Inc. **MERS** is a separate corporation that is acting solely and exclusively for Lender and Lender's successors and assigns. **MERS** is the mortgagee under this security instrument...

The purpose of the bold print is to ensure that **MERS** is indicated as the grantee of record¹⁶. This instrument was recorded in the Beaufort County mortgage records, and **MERS** was indicated as the "grantee."¹⁷

71. **MERS MEMBER DEFENDANTS'** designation of **MERS** as the "mortgagee" of this mortgage is false. **MERS MEMBER DEFENDANTS** have each recorded mortgages containing this language in Beaufort County:

72. The reason that **MERS MEMBER DEFENDANTS** did not limit their designation of **MERS** to that of "nominee or agent" is simple—in order to be shown in mortgage records in South Carolina as a "grantee," and therefore a party whose interest is protected by recording, one must necessarily be identified in a mortgage as a "lender," "mortgagee," or "grantee." As noted above, however, **MERS** has admitted that it is none of these. According to **MERS**:

MERS has no interest at all in the promissory note underlying the mortgage loan. **MERS** has no financial or other interest in whether or not a mortgage loan is repaid. . .

MERS is not the owner of the promissory note secured by the mortgage and has no right to the payments made by the debtor on each promissory note. . . **MERS** is not the owner of the servicing rights relating to the mortgage loan and **MERS** does not service loans. The beneficial interest in the mortgage (or the person or entity whose interest is secured by the mortgage) goes to the owner and holder of the promissory note. In essence, **MERS** insulates the mortgage lien while creating the

¹⁶ See Sub D1 8, BECF mortgages recorded to June 30, 2001 in Book 2400 at Page 176 and on July 13, 2012 in Book 3157 at Page 2388 in the Office of the Register of Deeds for Beaufort County, South Carolina.

¹⁷ In multiple mortgages recorded by suit of **MERS MEMBER DEFENDANTS** in Beaufort County, Plaintiff have located instances where **MERS** is indicated in the Statutory Character/Notice Indorse as a "grantee" in its capacity as the lender's nominee or agent.

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promissory note and servicing rights continue to occur.
(citation omitted).¹⁸

73. Defendants' contention is that, as the lender's "nominee" or "agent," **MERS** itself has no security interest in the real property that is the subject of the mortgage and therefore **MERS** has no rights which qualify it to assert that it is a mortgagee. But unless **MERS** itself is identified as the "mortgagee," **MERS** will not ordinarily be indicated as a "grantee" in the mortgage records. And unless **MERS** is identified as a "grantee" in the mortgage records, the **MERS** System does not work because the provisions of the recording statute are not extended to **MERS**. For Defendants, the solution was to ignore the law and falsely state in recorded instruments that **MERS** has a use upon or interest in real property, which **MERS** does not actually have, in order to cause **MERS** to be indicated as a "grantee" in the Statutory Character/Notice Indorse established by Plaintiff.

74. Another example of Defendants' disregard of long-settled South Carolina law is Defendants' inclusion of the following language in the subject mortgages:

TO HAVE AND TO HOLD this property unto **MERS** (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of **MERS**, forever, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereinafter a part of the property. All representations and warranties shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrowers understand and agree that **MERS** holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, **MERS** (as nominee for Lender and Lender's successors and assigns) has the right to exercise any or all of these interests, including, but not limited to, the right to foreclose and sell the property, and to take any action required of Lender including, but not limited to, releasing

¹⁸ See Sub D1 4, Mortgage Electronic Registration Systems, Inc./Member Dept. of Banking and Finance, 704 N.W.2d 784 (Mich. 2005), *Rept. of Appellate at 12-13* (emphasis added). **MERS** does not explain how it can be a "mortgage lien" holder or how it can "insure" loans "against future contingencies" while claiming to merely insulate that "MERS is not the owner of the promissory note secured by the mortgage."

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and canceling this Security Instrument.¹⁹

The infirmity of this assertion is manifest. A mortgage does not transfer legal title to anything; it creates a lien. Therefore, MERS cannot be the holder of "legal title" to the security interest conveyed, just as it has no beneficial title to the security interest conveyed.

II. MERS as "Grantor"

75. Defendants have also violated South Carolina law by falsely stating in recorded instruments that MERS has a lien upon or interest in real property (which MERS does not have) with the intent to cause MERS to be indexed as the "grantor" in the Statutory Grantor/Grantee Indexes maintained by Plaintiffs.

76. MERS has been falsely identified by MERS' members as the "lender," "mortgagee" or otherwise denominated as a party to the mortgage for the purpose of causing MERS to be indexed as a "grantor" in the statutory Grantor/Grantee Indexes maintained by Plaintiffs. MERS is none of these, and denominating it as such is fraudulent.

77. In a common MERS mortgage transaction, the lender endorses the note in blank to be held by a MERS member within the MERS system. As noted earlier, there are then three possible scenarios:

1. The loan is paid off at which time a satisfaction of mortgage must be filed by the MERS member currently holding the note;
2. The loan is sold to a non-MERS member and must be assigned from the MERS member to the non-MERS member; or
3. The borrower defaults and it is necessary to foreclose on the mortgage.

In each of these scenarios, there is a gap in the chain of title since the mortgage has not been previously assigned by the Lender to the MERS member currently holding the mortgage. In each of these scenarios, none of the mortgages are assigned within the three (3) month clean up period mandated by 26 U.S.C. Section 860D which the trust terms require that the trustee adhere to in order to protect the trust's REMIC status. The

¹⁹ See Exhibit 8.

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solution in each of these scenarios has been to have "robo-signers" fraudulently execute legally void assignments of the mortgage using MERS purported status as "mortgagee" and to cause this assignment to be recorded in the public records and MERS indexed as the "grantor". MERS, however, has disavowed any beneficial interest in the mortgage. This scenario has played out millions of times throughout the United States and in South Carolina, causing an exponential corruption of the public records.

III. South Carolina Statutory Remedies

78. South Carolina Code of Laws Section 30-9-30, in part, reads as follows:

(B)(1) If a person presents a conveyance, mortgage, judgment, lien, contract, or other document to the clerk of court or the register of deeds for filing or recording, the clerk of court or the register of deeds may refuse to accept the document for filing if he reasonably believes that the document is materially false or fraudulent or is a sham legal process...

(2) If the clerk of court or the register of deeds reasonably believes that a conveyance, mortgage, judgment, lien, contract, or other document is materially false or fraudulent, or is a sham legal process, the clerk of court or the register of deeds may remove the document from the public records... (emphasis supplied)

As demonstrated by these statutory directives, South Carolina public policy favors a reliable and functioning public recordation system to avoid destructive breaks in title, confusion as to the true identity of the lien holder, fraudulent foreclosures, and uncertainty as to title when real property is sold. The MERS System has all but collapsed this system throughout the United States, including South Carolina.

C. CORPORATE VEILS OF MERSCORP AND MERS

79. Plaintiffs move the Court pierce the MERSCORP and MERS corporate veils and impose liability upon MERSCORP SHAREHOLDER DEFENDANTS for the actionable conduct of MERSCORP and MERS alleged herein. As demonstrated by the facts set forth below, recognizing the corporate existence of MERSCORP and MERS separate from their shareholders, including MERSCORP as shareholder in MERS and MERSCORP SHAREHOLDER DEFENDANTS, would cause an inequitable result or injustice and would be a cloak for fraud or illegality; MERSCORP and MERS were

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undercapitalized in light of the nature and risk of their business; and the corporate fiction is being used to justify wrongs, as a means of perpetrating fraud, as a mere tool or business conduit for others, as a means of evading existing legal obligations, to perpetrate monopoly and unlawfully gain monopolistic control over the real property recording system in the State of South Carolina.

80. MERSCORP is the operating company that owns and operates the MERS System, charges and receives all fees for use of the MERS System, establishes and promulgates Rules of Membership in MERSCORP for those lenders and loan servicers desiring to become members for purposes of utilizing the MERS System, determines the bona fides of membership applications in MERSCORP, and is responsible for the day-to-day operation of the MERS System. Accordingly, the acts of misconduct alleged herein against MERS are alleged as well against MERSCORP as the owner and operator of MERS.

81. MERS is a wholly-owned subsidiary of MERSCORP. MERS has been utilized by MERSCORP to shift liability away from MERSCORP and its shareholders for the wholesale destruction of the public recording system, to perpetrate a fraud in the form of falsely stating in instruments recorded in Plaintiffs' records that MERS has a lien upon or interest in real property which MERS does not have, to evade the ongoing obligation to maintain the accuracy of mortgages and other instruments recorded in Plaintiffs' records, and to justify the wrongs set forth herein. Thus, MERSCORP is liable for all of the acts of misconduct alleged against MERS herein. According to MERSCORP in its June 4, 2012, MERS® OnLine User Guide (Version 22.0):

MERSCORP [] owns and operates a national electronic registry to track ownership and changes to ownership of mortgage rights, and Mortgage Electronic Registration Systems, Inc. (MERS), its wholly owned subsidiary which acts as the mortgagee of record in the public land records and as nominee for the lender and its successors and assigns, were created by the real estate finance industry to eliminate the need to prepare and record assignments.

The electronic registry to which this passage applies is also referred to as "the MERS System" and MERSCORP "is the service provider for MERS."

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82. MERSCORP SHAREHOLDER DEFENDANTS (or their predecessors-in-interest) established MERSCORP, and MERSCORP established MERS, without sufficient capitalization in view of the businesses in which MERSCORP and MERS engage. MERSCORP and MERS have failed to retain an appropriate number of employees to engage in the activities legally attributable to MERSCORP and MERS, opting instead to direct MERS System members to have the members' employees appointed as "Vice-Presidents" or "Secretaries" of MERS for purposes of having the members, including MERSCORP SHAREHOLDER DEFENDANTS, purport to take actions as "MERS" through members' employees falsely or improperly denominated as officers of MERS. MERSCORP and MERS are effectively "front" organizations for MERS System members, including MERSCORP SHAREHOLDER DEFENDANTS, which have created a systematically important mortgage registry but fail to properly oversee that registry or enforce their own rules on the members that participate in the registry. For example, rather than maintaining an adequate staff to provide MERSCORP's and MERS' services, MERSCORP and MERS operate through a network of over 20,000 non-employee "corporate officers," including employees of MERSCORP SHAREHOLDER DEFENDANTS, who cause MERSCORP and MERS to act without any meaningful oversight from anyone who works at MERSCORP or MERS. Instead of meaningful internal controls, MERSCORP and MERS rely on an "honor system" of MERS System members which fails to ensure the integrity of the MERS System. The lack of internal controls at MERSCORP and MERS have facilitated MERS System members' recording of so-called "robosigned" documents in Plaintiffs' records and has also resulted in MERSCORP's and MERS' failure to follow their own rules regarding proper institution of foreclosure proceedings.

83. The 20,000 individuals who identify themselves as MERS' corporate officers are actually employees of MERS' members, including MERSCORP SHAREHOLDER DEFENDANTS, rather than MERS. These so-called "corporate officers" act on behalf of MERS in foreclosing mortgages in which MERS is identified as a "mortgagee" and in recording, causing to be recorded, or approving the recording of instruments falsely denominated MERS as the "mortgagee" of mortgages so as to make it appear that MERS has a lien upon or interest in real property and with the intent to

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cause MERS to be indexed as a "grantee" or "grantor" in the Statutory Grantor/Grantee Indexes maintained by Plaintiffs.

84. In reality, MERSCORP, MERS, and the MERS System operate like puppets whose strings are pulled by MERS System members' employees, including MERSCORP SHAREHOLDER DEFENDANTS. Members' employees undertake legally operable actions using MERS' name, such as assigning mortgages, signing checks, and foreclosing on homeowners. MERS System members purchase corporate seals for their signing officers from MERS at a cost of \$25 each. While MERS purports to act as agent for the holder or owner of a note, each act MERS purportedly performs on a MERS System member's behalf is actually done by that member's own employee, acting as a MERS "signing officer." Moreover, MERSCORP and MERS encourage the widespread use of MERS' corporate authority but perform no meaningful oversight over the acts of these signing officers. This use of member employees purportedly acting as MERS "officers" obfuscates the real entity dealing with consumers.

85. Employees of MERS System members who identify themselves as MERS "officers" are not paid any compensation by MERS, nor does MERSCORP or MERS supervise or direct (nor have the right to supervise or direct) any of the work performed by these so-called MERS "signing officers." MERS "signing officers" do not seek, nor do they receive, any instruction, permission or approval from MERSCORP or MERS to act on MERS' behalf.

86. The structure of MERSCORP and MERS and the fact that they undertake virtually no action except through the members of MERS, including MERSCORP SHAREHOLDER DEFENDANTS, justify the Court's ignoring the corporate fiction and imposing liability for the conduct of MERSCORP and MERS on the shareholders of MERSCORP, including MERSCORP SHAREHOLDER DEFENDANTS.

87. In addition to the actionable conduct of MERSCORP SHAREHOLDER DEFENDANTS alleged herein, Plaintiffs seek a determination of the Court that it is appropriate to pierce the MERSCORP and MERS corporate veils for the reasons set forth above and hold MERSCORP SHAREHOLDER DEFENDANTS liable for the conduct of MERSCORP and its subsidiary, MERS. Recognizing the corporate existence of MERSCORP and MERS separate from their shareholders, including MERSCORP

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SHAREHOLDER DEFENDANTS, would bring about an inequitable result or injustice and would be a cloak for fraud or illegality.

AS AND FOR FIRST CAUSE OF ACTION AGAINST ALL DEFENDANTS
(FRAUD AND MISREPRESENTATION)

88. Plaintiffs repeat, reiterate and re-allege each and every allegation contained in the Complaint herein as if heretofore set forth at length.

89. Defendants engaged in fraud and misrepresentation by recording, causing to be recorded, or approving the recording of instruments which falsely state that MERS has a lien upon or interest in real property which MERS does not have with the intent to cause MERS to be indexed as a "grantee" in the Statutory Grantor/Grantee Indexes maintained by Plaintiffs.

90. MERS MEMBER DEFENDANTS did identify and continue to identify MERS as the "mortgagee" of mortgages recorded in South Carolina. These mortgages contained the following language with specific words in bold:

"MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lenders successors and assigns. MERS is the mortgagee under this security instrument...

The purpose of the bold print is to ensure that MERS is indexed as the grantee of record.

91. These instruments were and are recorded in the records of Beaufort County and MERS was and is being indexed as the "grantee."

92. Defendants' denomination of MERS as the "mortgagee" of these mortgages is false and was and is known by Defendants to be false. MERS itself has stated in the course of litigation that:

MERS has no interest at all in the promissory note evidencing the mortgage loan. MERS has no financial or other interest in whether or not a mortgage loan is repaid. . .

[Signature]
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MERS is not the owner of the promissory note secured by the mortgage and has no rights to the payments made by the debtor on such promissory note. . . . MERS is not the owner of the servicing rights relating to the mortgage loan and MERS does not service loans. The beneficial interest in the mortgage (or the person or entity whose interest is secured by the mortgage) runs to the owner and holder of the promissory note. In essence, MERS immobilizes the mortgage lien while transfers of the promissory notes and servicing rights continue to occur. (citation omitted).

(See Exhibit "4")

93. The aforementioned misrepresentation is material in that it played a pivotal role in the MERS system and ultimately in securitization.

94. Defendants intended that Plaintiffs rely upon the false statements described above, and Plaintiffs did so rely to their detriment by accepting such instruments for recording and by indexing MERS as a "grantee" in Plaintiffs' Statutory Grantor/Grantee Indexes.

95. Plaintiffs were ignorant of the falsity of the Defendants' representations.

96. Plaintiffs justifiably relied upon the Defendants' false and misleading representations and were thereby consequently and proximately injured.

97. Plaintiffs' damages include, but are not limited to, direct and consequential damages in the form of:

- a. damages to and corruption of the Statutory Grantor/Grantee Indexes maintained by Plaintiffs in the form of rendering such records unreliable and inaccurate and stripping these records of their value; and
- b. the cost of remedying the Statutory Grantor/Grantee Indexes maintained by Plaintiffs so that such records accurately reflect liens upon and interests in real property located in Beaufort County, or in the event remediation is not possible, compensatory damages for the loss of an accurate and reliable public recording system.

98. Defendants acted in reckless and conscious disregard of Plaintiffs' right and obligation to maintain accurate public records, thereby causing Plaintiffs to punitive damages.

**AS AND FOR SECOND CAUSE OF ACTION AGAINST
MERS CORP., MERS, BOA, DEUTSCHE, JP MORGAN CHASE BANK, N.A.,
MORTGAGE NETWORK, INC., CITIMORTGAGE, INC., HSBC BANK USA,
N.A., HSBC MORTGAGE CORPORATION (USA), and
HSBC MORTGAGE SERVICES, INC.
(FRAUD AND MISREPRESENTATION)**

99. Plaintiffs repeat, reiterate and re-allege each and every allegation contained in the Complaint herein as if heretofore set forth at length.

100. "Defendants" as that term is used in this second cause of action only shall refer to Defendants, MERS CORP., MERS, BOA, DEUTSCHE, JP MORGAN CHASE BANK, N.A., MORTGAGE NETWORK, INC., CITIMORTGAGE, INC., HSBC BANK USA, N.A., HSBC MORTGAGE CORPORATION (USA), and HSBC MORTGAGE SERVICES, INC..

101. Defendants engaged in fraud and misrepresentation by recording, causing to be recorded, or approving the recording of instruments which falsely state that MERS has a lien upon or interest in real property which MERS does not have with the intent to cause MERS to be indexed as a "grantor" in the Statutory Grantor/Grantee Indexes maintained by Plaintiffs.

102. Defendants have caused assignments of mortgages to be fraudulently executed by employees of Defendants posing as MERS' employees and using MERS purported status as "mortgage". These assignments were executed fraudulently, without the requisite authority, and without verification.

103. These instruments were and are recorded in the Beaufort County records, and MERS was and is being indexed as the "grantor."

104. Defendants representation of MERS as the "mortgage" of these mortgages was and is false, and Defendants had knowledge of its falsity and/or a reckless disregard for the truth. MERS itself has stated in the course of litigation that:

MERS has no interest at all in the promissory note evidencing the mortgage loan. MERS has no financial or other interest in whether or not a mortgage loan is repaid. . .

MERS is not the owner of the promissory note secured by the mortgage and has no rights to the payments made by the debtor on such promissory note. . . . MERS is not the owner of the servicing rights relating to the mortgage loan and MERS does not service loans. The beneficial interest in the mortgage (or the person or entity whose interest is secured by the mortgage) runs to the owner and holder of the promissory note. In essence, MERS immobilizes the mortgage lien while transfers of the promissory notes and servicing rights continue to occur. (citation omitted).

(See Exhibit "4".)

105. The abovescribed representations are material in that they played a pivotal role in the MERS system and ultimately in securitization.

106. Defendants intended that Plaintiffs rely upon the false representations described above, and Plaintiffs did so rely to their detriment by accepting such instruments for recording and by indexing MERS as a "grantor" in Plaintiffs' Statutory Grantor/Grantee Indexes.

107. Plaintiffs were ignorant of the falsity of Defendants' representations.

108. Plaintiffs justifiably relied upon Defendants' false and misleading representations and were thereby consequently and proximately injured.

109. Plaintiffs' damages include, but are not limited to, direct and consequential damages in the form of:

- a. damages to and corruption of the Statutory Grantor/Grantee Indexes maintained by Plaintiffs in the form of rendering such records unreliable and inaccurate and stripping these records of their value; and
- b. the cost of remedying the Statutory Grantor/Grantee Indexes maintained by Plaintiffs so that such records accurately reflect liens upon and interests in real property located in Beaufort County, or in the event remediation is not possible, compensatory damages for the loss of an accurate and reliable public recording system.

110. Defendants acted in reckless and conscious disregard of Plaintiffs' right and obligation to maintain accurate public records, thereby entitling Plaintiffs to punitive damages.

AS AND FOR A THIRD CAUSE OF ACTION AGAINST ALL DEFENDANTS
(UNFAIR TRADE PRACTICES)

111. Plaintiffs repeat, reiterate and re-allege each and every allegation contained in the Complaint herein as if heretofore set forth at length.
112. The abovescribed acts of the Defendants were fraudulent, unfair, and deceptive and performed in the course of and are inextricably connected to the Defendants' trade of providing and servicing loans to the public.
113. Defendants participated in the MERS system in order to avoid and circumvent the burdens and costs of traditional public recording systems.
114. Defendants presented and continue to present for filing in the public records of Beaufort County, documents that were and are false, misleading, and legally void. This wrongful conduct is not only capable of repetition, but is being repeated.
115. Defendants' actions have resulted in the wholesale destruction of the public records maintained by the Plaintiffs and have eroded the transparency and corrupted the chain of title of real property records maintained by the Plaintiffs and have rendered these records inaccurate and unreliable for public use.
116. Plaintiffs were damaged as a direct and proximate result of the Defendants' wrongful conduct as heretofore described, thereby entitling the Plaintiffs to treble damages.
117. By reason of the foregoing, Plaintiffs seek compensatory damages, and upon determination of Plaintiffs' compensatory damages, that the Court treble that award.

AS AND FOR A FOURTH CAUSE OF ACTION AGAINST ALL DEFENDANTS
(CONVERSION)

118. Plaintiffs repeat, reiterate and re-allege each and every allegation contained in the Complaint herein as if heretofore set forth at length.
119. Section 30-9-30(A) of the South Carolina Code of Laws provides, in part, that:

...each clerk of court and register of deeds in this State shall keep

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... record, in the office in which he files all conveyances, mortgages, ... and papers relating to real ... property, ... by entering in the record the names of the grantor and grantee, mortgagee and mortgagor, obligee and obligor. ... (emphasis supplied)

Moreover, Section 30-9-40 provides that:

The register of deeds or clerk of court in those counties where the office of the register of deeds has been abolished shall immediately upon the filing for record of any deed, mortgage, or other written instrument of the character mentioned in Section 30-7-80 or Chapter 9 of Title 36 enter thereupon the proper indexes in his office, which constitute an integral, necessary, and inseparable part of the recordation of the deed, mortgage, or other written instrument for any and all purposes whatsoever, and that such indexes apply to any copy of the indexes made subsequently by the register of deeds or clerk of court, or the deputy of either, or by his authority for the purpose of replacing the original indexes. The entries in the indexes required to be made are notice to all persons sufficient to put them upon inquiry as to the purpose and effect of the deed, mortgage, or other written instrument so filed for record, but the recordation of a deed, mortgage, or other written instrument is not notice as to the purpose and effect of the deed, mortgage, or other written instrument unless the filing of the instrument for record is entered as required in the indexes. (emphasis supplied)

120. Plaintiffs have expended substantial time, effort, and money in performing the aforementioned duties.

121. By reason of the Defendants' false and fraudulent claims and the filing of legally void documents, Defendants have, for their own advantage, misused the Plaintiffs' recording systems, harmed their condition, and have rendered the Plaintiffs' recording systems inaccurate and unreliable.

122. By reason of the foregoing, Defendants converted the Plaintiffs' property for their own use and benefit.

123. Plaintiffs had no knowledge of the Defendants' wrongful actions, and Plaintiffs did not acquiesce in any manner whatsoever in the Defendants' wrongful conduct.

124. Plaintiffs' damages include, but are not limited to, direct and consequential damages in the form of:

a. damages in and examples of the Statutory Clerical/Grease Indexes established by Plaintiffs in the form of creating such records available and accurate and updating these records of their value and

b. the cost of reentering the Statutory Clerical/Grease Indexes maintained by Plaintiffs so that such records accurately reflect their open and interests in real property located in Beaufort County, or in the event remediation is not possible, compensatory damages for the loss of a permanent and reliable usable recording system.

125. Defendants acted in reckless and conscious disregard of Plaintiffs' right and obligation to maintain accurate public records, thereby inflicting Plaintiffs' punitive damages.

**AS AND FOR A FURTHER CASE OF ACTION AGAINST ALL DEFENDANTS
(RESPONSE TO DEATHS)**

126. Plaintiffs repeat, reiterate and re-affirm each and every allegation contained in the Complaint herein as if hereinafter set forth at length.

127. Section 30-9-30(A) of the South Carolina Code of Laws provides, in part, that:

... each clerk of court and register of deeds in this State shall keep a record, in the office in which he files all conveyances, mortgages, ... and papers relating to real ... property, ... by entering in the record the names of the grantor and grantee, mortgagee and mortgagor, obligee and obligor. ... (emphasis supplied)

Moreover, Section 30-9-40 provides that:

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The register of deeds or clerk of court in those counties where the office of the register of deeds has been established shall immediately upon the filing by record of any deed, mortgage, or other written instrument of the character mentioned in Section 33-7-10 or Chapter 9 of Title 16 enter it upon the proper indexes in its office, which constitute an integral, necessary, and inseparable part of the recordation of the deed, mortgage, or other written instrument for any and all purposes whatsoever, and the said indexes apply to any copy of the indexes made subsequently by the register of deeds or clerk of court, or the deputy of either, or by his authority for the purpose of replacing the original indexes. The various in the indexes required to be made are copies to all persons in offices to put them upon inquiry as to the person and effect of the deed, mortgage, or other written instrument so filed for record, but the recordation of a deed, mortgage, or other written instrument is not valid as to the person and effect of the deed, mortgage, or other written instrument unless the filing of the instrument for record is entered as required in the indexes. (omissions supplied)

128. Plaintiffs have expended substantial time, effort, and money in performing the aforesaid duties.

129. By reason of the Defendants' false and fraudulent claims and the filing of legally void documents, Defendants have, for their own advantage, caused the Plaintiff's recording systems and have altered their condition and rendered the Plaintiff's recording systems inaccurate and unreliable.

130. Plaintiffs had no knowledge of the Defendants' wrongful conduct, and Plaintiffs did not acquiesce in any manner whatsoever in the Defendants' wrongful conduct.

131. Plaintiffs' damages include, but are not limited to, direct and consequential damages in the form of:

i. damages in and corruption of the Stacey County Clerk's indexes maintained by Plaintiffs in the form of recording such records unreliable on a database and stripping these records of their value; and

ii. the cost of recreating the Stacey County Clerk's indexes maintained by Plaintiffs so that such records accurately reflect liens upon and interests in real property located in Beaufort County, or in the event recreation is not possible, compensatory damages for the loss of an accurate and reliable public recording system.

132. Defendants acted in reckless and conscious disregard of Plaintiffs' rights and obligation to maintain accurate public records, thereby causing Plaintiffs to sustain damages.

**AS A ND FOR A BIRTH CAUSE OF ACTION AGAINST ALL DEFENDANTS
(DECLARATORY JUDGMENT)**

133. Plaintiffs repeat, reiterate, and re-allege each and every allegation contained in the Complaint herein and if asserted are true in truth.

134. Plaintiffs hereby seek a judicial declaration that:

a. Defendants have caused substantial damage to Plaintiffs' records by:

i. recording, causing to be recorded, or approving the recording of instruments which falsely state that MERS has a lien upon or interest in real property which MERS does not have with the intent to cause MERS to be indexed as a "grantee" in the Stacey County Clerk's indexes maintained by Plaintiffs; and

ii. recording, causing to be recorded, or approving the recording of instruments which falsely state that MERS has a lien upon or interest in real property which MERS does not have with the intent to cause MERS to be indexed as a "grantee" in the Stacey County Clerk's indexes maintained by Plaintiffs; and

iii. recording, causing to be recorded, or approving the recording of documents which are legally void and

- b. Plaintiffs are not required by South Carolina Law to index MERS as a "grantee" or "grantor" in the Statutory Grantor/Grantee Indexes of Plaintiffs when MERS is acting in a representative capacity in an instrument presented for recording, or to record an assignment of mortgage which is legally void and in contravention of the terms of the governing PSA.

AS AND FOR A SEVENTH CAUSE OF ACTION AGAINST ALL DEFENDANTS
(INJUNCTIVE RELIEF)

135. Plaintiffs repeat, reiterate and re-allege each and every allegation contained in the Complaint herein as if heretofore set forth at length.

136. South Carolina Code of Laws Section 30-9-30, in part, reads as follows:

(B)(1) If a person presents a conveyance, mortgage, judgment, lien, contract, or other document to the clerk of court or the register of deeds for filing or recording, the clerk of court or the register of deeds may refuse to accept the document for filing if he reasonably believes that the document is materially false or fraudulent or is a sham legal process...

(2) If the clerk of court or the register of deeds reasonably believes that a conveyance, mortgage, judgment, lien, contract, or other document is materially false or fraudulent, or is a sham legal process, the clerk of court or the register of deeds may remove the document from the public records...(emphasis supplied)

137. In accordance with the afrodescribed statutes, Plaintiffs seek injunctive relief enjoining Defendants and all those in active concert or participation with them from recording, causing to be recorded, or approving the recording of instruments which state that MERS has a lien upon or interest in real property in which MERS does not have such an interest and/or which are legally void.

138. Plaintiffs further seek an order of this Court requiring Defendants, jointly and severally, to correct the false, deceptive, and legally ineffective filings described herein by causing the recordation of corrective instruments setting forth accurately the identity of the actual parties-in-interest to the instruments about which complaint is made.

139. Plaintiffs further seek an order of this Court requiring Defendants, jointly and severally, to correct the false, deceptive, and legally ineffective filings described

herein by causing the recordation of corrective instruments setting forth the entire chain of title for each instrument described herein.

WHEREFORE, Plaintiffs pray for judgment as follows:

I. On the First Cause of Action against all Defendants, that the Court award direct and consequential damages for the damage to and corruption of the Plaintiffs' statutory Grantor/Grantee indexes and for the remediation of said records, or in the event remediation is not possible, compensatory damages for the loss of an accurate and reliable public recording system, as well as punitive damages;

II. On the Second Cause of Action against Defendants, MERSCORP, MERS, BOA, DEUTSCHE, JP MORGAN CHASE BANK, N.A., MORTGAGE NETWORK, INC., CITIMORTGAGE, INC., HSBC BANK USA, N.A., HSBC MORTGAGE CORPORATION (USA), and HSBC MORTGAGE SERVICES, INC., that the Court award direct and consequential damages for the damage to and corruption of the Plaintiffs' statutory Grantor/Grantee indexes and for the remediation of said records, or in the event remediation is not possible, compensatory damages for the loss of an accurate and reliable public recording system, as well as punitive damages;

III. On the Third Cause of Action against all Defendants, that the Court award compensatory damages, and upon determining Plaintiffs' consequential damages, that the Court treble that award;

IV. On the Fourth Cause of Action against all Defendants, that the Court award direct and consequential damages for the damage to and corruption of the Plaintiffs' statutory Grantor/Grantee indexes and for the remediation of said records, or in the event remediation is not possible, compensatory damages for the loss of an accurate and reliable public recording system, as well as punitive damages;

V. On the Fifth Cause of Action against all Defendants, that the Court award direct and consequential damages for the damage to and corruption of the Plaintiffs' statutory Grantor/Grantee indexes and for the remediation of said records, or in the event remediation is not possible, compensatory damages for the loss of an accurate and reliable public recording system, as well as punitive damages;

VI. On the Sixth Cause of Action against all Defendants, that the Court issue a


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judicial declaration that:

a. Defendants have caused substantial damage to Plaintiffs' record by:

i. recording, causing to be recorded, or approving the recording of instruments which falsely state that MERS has a lien upon or interest in real property which MERS does not have with the intent to cause MERS to be indexed as a "grantee" in the Statutory Grantor/Grantee Indexes maintained by Plaintiffs; and

ii. recording, causing to be recorded, or approving the recording of instruments which falsely state that MERS has a lien upon or interest in real property which MERS does not have with the intent to cause MERS to be indexed as a "grantor" in the Statutory Grantor/Grantee Indexes maintained by Plaintiffs; and

iii. recording, causing to be recorded, or approving the recording of documents which are legally void; and

b. Plaintiffs are not required by South Carolina Law to index MERS as a "grantee" or "grantor" in the Statutory Grantor/Grantee Indexes of Plaintiffs when MERS is acting in a representative capacity in an instrument presented for recording, or to record an assignment of mortgage which is legally void and in contravention of the terms of the governing PSA;

VII. On the Seventh Cause of Action against all Defendants:

a. That the Defendants and all those in active concert or participation with them be enjoined from recording, causing to be recorded or approving the recording of instruments that state that MERS has a lien upon or interest in real property which MERS does not have and/or which are legally void; and

b. That the Defendants jointly and severely be required to correct the false, deceptive, and legally ineffective filings described in this Complaint by causing the recordation of correct

instruments setting forth accurately the identities of the actual parties and interest to the instruments about which the Complaint is made; and

c. That the Defendants jointly and severely be required to correct the false, deceptive, and legally ineffective filings described herein by causing the recordation of corrective instruments setting forth the entire chain of title for each instrument described herein; and

VII. On all causes of action, that the judgment of this Court include:

a. judgment against MERSCORP SHAREHOLDER DEFENDANTS as the alter ego of Defendants, MERSCORP and MERS, for any and all damages awarded against Defendant MERSCORP and/or Defendant MERS; and

b. attorneys' fees and costs incurred in the prosecution of this action together with such other and further relief as the Court deems just and proper.

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RW
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DL
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VAUX & MARSCHER, P.A.
Attorneys for the Plaintiffs

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BEAUFORT COUNTY LEGAL DEPARTMENT

By: 
Joseph A. Gruber, SC Bar No.
Beaufort County Legal Department
Post Office Box 1228
Beaufort, South Carolina 29901-1228
Telephone 843-255-2059
Facsimile 843-255-9414

June 3rd, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)
COURT OF COMMON PLEAS)
FOURTEENTH JUDICIAL CIRCUIT)
C/A NUMBER: 2013-CP-07-1340)

GARY KUBIC, in his official)
capacity as County Administrator)
for Beaufort County, South)
Carolina, and DALE L. BUTTS,)
in his official capacity as Register)
of Deeds for Beaufort County,)
South Carolina,)

Plaintiffs,

v.

MERECORP HOLDINGS, INC.,)
MORTGAGE ELECTRONIC)
REGISTRATION SYSTEMS,)
INC., BANK OF AMERICA, N.A.,)
DEUTSCHE BANK NATIONAL)
TRUST COMPANY,)
JP MORGAN CHASE BANK,)
N.A., MORTGAGE NETWORK,)
INC., CITIMORTGAGE, INC.)
HSEC BANK USA, N.A., HSBC)
MORTGAGE CORPORATION)
(USA), HSBC MORTGAGE)
SERVICES, INC., SOUTH)
CAROLINA BANK AND TRUST,)
N.A., COASTAL STATES BANK,)
COASTAL BANKING)
COMPANY, INC., and)
TIDELANDS BANK,)

Defendants.

VERIFICATION

2013 JUN -5 AM 11:48
BEAUFORT COUNTY, S.C.

PERSONALLY appeared before me, GARY KUBIC, County Administrator for

Beaufort County, South Carolina, who being duly sworn, deposes and says that he is a

Plaintiff in the within action; that he has read the foregoing Amended Complaint, and all

of the allegations contained therein are true of his own knowledge, and as to those things

alleged upon information and belief, he believes the same to be true.

Gary Kubic
Gary Kubic

SWORN TO BEFORE ME this
this 25 day of June, 2013

C. Randal H. Harris
Notary Public for South Carolina
My Commission Expires 12/31/18



STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL CIRCUIT
C/A NUMBER: 2013-CP-07-1340

GARY KUBIC, in his official
capacity as County Administrator)
for Beaufort County, South)
Carolina, and DALE L. BUTTS,)
in his official capacity as Register)
of Deeds for Beaufort County,)
South Carolina,)

Plaintiffs,

v.

MERSCORP HOLDINGS, INC.,)
MORTGAGE ELECTRONIC)
REGISTRATION SYSTEMS,)
INC., BANK OF AMERICA, N.A.,)
DEUTSCHE BANK NATIONAL)
TRUST COMPANY,)
JP MORGAN CHASE BANK,)
N.A., MORTGAGE NETWORK,)
INC., CITIMORTGAGE, INC.)
HSBC BANK USA, N.A., HSBC)
MORTGAGE CORPORATION)
(USA), HSBC MORTGAGE)
SERVICES, INC., SOUTH)
CAROLINA BANK AND TRUST,)
N.A., COASTAL STATES BANK,)
COASTAL BANKING)
COMPANY, INC., and)
TIDELANDS BANK,)

Defendants.

VERIFICATION

2013 JUN -5 AM 11: 48
CLERK OF COURT
BEAUFORT COUNTY, S.C.

PERSONALLY appeared before me, DALE L. BUTTS, Register of Deeds for Beaufort County, South Carolina, who being duly sworn, deposes and says that he is a Plaintiff in the within action; that he has read the foregoing Amended Complaint, and all of the allegations contained therein are true of his own knowledge, and as to those things

alleged upon information and belief, he believes the same to be true.

Dale L. Butts
Dale L. Butts

SWORN TO BEFORE ME this
this 17th day of June, 2013

Charles H. Idemir
Notary Public for South Carolina
My Commission Expires 10/18/2014



PUBLISHER'S AFFIDAVIT

**STATE OF SOUTH CAROLINA
COUNTY OF OCONEE**

OCONEE COUNTY COUNCIL

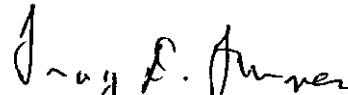
IN RE: Public Hearing: Ordinance 2014-20

BEFORE ME the undersigned, a Notary Public for the State and County above named, This day personally came before me, Hal Welch, who being first duly sworn according to law, says that he is the General Manager of **THE JOURNAL**, a newspaper published Tuesday through Saturday in Seneca, SC and distributed in **Oconee County, Pickens County** and the Pendleton area of **Anderson County** and the notice (of which the annexed is a true copy) was inserted in said papers on 09/18/2014 and the rate charged therefore is not in excess of the regular rates charged private individuals for similar insertions.



Hal Welch
General Manager

Subscribed and sworn to before me this
09/18/2014



Tracy D. Turner
Notary Public for South Carolina
My commission Expires: 11/26/2022

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ALL real estate advertising in this newspaper is subject to Federal Fair Housing Act of 1968 which makes it illegal to advertise 'any preference, limitation or discrimination' based on race, color, religion, sex, handicap, familial status or national origin, or intention to make any such preference, limitation or discrimination.' This newspaper will not knowingly accept any advertising for real estate which is in violation of the law. Our readers are hereby informed that all dwellings advertised in this newspaper are available on an equal opportunity basis.

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882-1407



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882-1467



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402 S. Oak St. - Seneca
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95 MERCURY GRAND Marquis
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402 S. Oak St. - Seneca
864-882-1467



97 LINCOLN TOWN Car
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402 S. Oak St. - Seneca
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99 LINCOLN MARK VII
120,000 miles - \$4,000

LEGAL NOTICES

LEGALS

person having any claim against the said United Liability Company is directed to file said claim by mail addressed to the individual and address provided below, including an itemization of any amounts claimed and the reasons therefor with the undersigned representative of the United Liability Company. Any claim on which suit is not commenced within five (5) years from the date of this publication will be forever barred.
Moore-Lowery, LLC
c/o Jared C. Lowery
110 Piney Hill Lane
Muscogee, SC 29581

The Oconee County Council will hold a Public Hearing on Ordinance 2014-20 "AN ORDINANCE TO AMEND CHAPTER 20 OF THE OCONEE COUNTY CODE OF ORDINANCES TO PROVIDE FOR THE ADOPTION OF SOUTH CAROLINA CODE OF LAWS 1976, AS AMENDED; SECTION 4-9-145, ENTITLED "LITTER CONTROL; OFFICERS; CUSTODIAL ARREST AUTHORITY; NUMBER OF OFFICERS; POWERS AND DUTIES; AND SECTION 56-7-80, ENTITLED "COUNTY OR MUNICIPAL UNIFORM ORDNANCE SUMMONS AS PART OF SUCH AMENDED CHAPTER 20 AND OTHER MATTERS RELATED THERETO" and Ordinance 2014-22 "AN ORDINANCE TO AMEND OCONEE COUNTY ORDINANCE 2014-01, THE BUDGET ORDINANCE FOR OCONEE COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1ST, 2014 AND ENDING JUNE 30TH, 2015, IN CERTAIN LIMITED REGARDS AND PARTICULARS, ONLY, SO AS TO INCLUDE A PROVISION FOR DISBURSEMENT OF CERTAIN FUNDS, AND OTHER MATTERS RELATED THERETO" on Tuesday, October 7, 2014 at 6:00 p.m. in Council Chambers, Oconee County Administrative Offices, 425 S. Pine Street, Wilkes, SC.

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Council Office

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Oconee County
Administrative Offices
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Paul Corbell
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.....LEGAL AD.....

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The Oconee County Council will hold a Public Hearing for Ordinance 2014-20 "AN ORDINANCE TO AMEND CHAPTER 20 OF THE OCONEE COUNTY CODE OF ORDINANCES TO PROVIDE FOR THE ADOPTION OF SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED: SECTION 4-9-145, ENTITLED *LITTER CONTROL OFFICERS; CUSTODIAL ARREST AUTHORITY; NUMBER OF OFFICERS; POWERS AND DUTIES*, AND SECTION 56-7-80, ENTITLED COUNTY OR MUNICIPAL UNIFORM ORDINANCE SUMMONS, AS PART OF SUCH AMENDED CHAPTER 20; AND OTHER MATTERS RELATED THERETO" and Ordinance 2014-22 AN ORDINANCE TO AMEND OCONEE COUNTY ORDINANCE 2014-01, THE BUDGET ORDINANCE FOR OCONEE COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1ST, 2014 AND ENDING JUNE 30TH, 2015, IN CERTAIN LIMITED REGARDS AND PARTICULARS ONLY, SO AS TO INCLUDE A PROVISIO FOR DISBURSEMENT OF CERTAIN FUNDS; AND OTHER MATTERS RELATED THERETO" on Tuesday, October 7, 2014 at 6:00 p.m. in Council Chambers, Oconee County Administrative Offices, 415 S. Pine Street, Walhalla, SC.



Beth Hulse

From: Beth Hulse
Sent: Wednesday, September 17, 2014 12:10 PM
To: Beth Hulse; classadmgr@upstatetoday.com
Subject: Public Hearings 2014-20, 22 - 10-7-14
Attachments: 091714 - PH 2014-20, 2014-22 10-07-2014.doc

Please run at your earliest convenience.
Thanks.

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Beth Hulse

From: Beth Hulse
Sent: Wednesday, September 17, 2014 12:10 PM
To: Beth Hulse; Carlos Galarza; Chad Dorsett; DJM News Editor; Fox News; Greenville News (localnews@greenvillenews.com); Kevin; Norman Cannada (ncannada@upstatetoday.com); Ray Chandler; Steven Bradley (sbradley@upstatetoday.com); Westminster News / Keowee Courier (westnews@bellsouth.net); WGOG (dickmangrum@wgog.com); WSPA TV - Channel 7 (assignmentdesk@wspa.com); WYFF 4 News
Subject: Public Hearings: October 7, 2014

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NOTICE OF PUBLIC HEARING

There will be a public hearing for Ordinance 2014-17 with respect to the approval by Oconee County, South Carolina of a fee-in-lieu-of-tax agreement (“FILOT”) and with respect to the approval of a Joint County Industrial and Business Park Agreement between Oconee County, South Carolina and Pickens County, South Carolina. The FILOT will be entered into by Oconee County with ACI Plastics South, LLC. ACI Plastics South, LLC’s facility is located at 2333 Sandifer Boulevard, Westminster, South Carolina and will be included in the Industrial Business Park. Said public hearings will occur at a meeting of the Oconee County Council in the Administration Building, 415 South Pine Street, Walhalla, South Carolina on Tuesday, October 7, 2014 at 6:00 p.m.

OCONEE COUNTY, SOUTH CAROLINA

Joel Thrift
Chairman of County Council